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AMENDMENT TO H.R. 2419, AS REPORTED
OFFERED BY MR. KIND OF WISCONSIN

[COMMODITY TITLE]

In section 1102, strike subsection (b) and insert the
following new subsection:

1 (b) PAYMENT RATE.—

2 (1) 2008 CROP YEAR.—The payment rates used
3 to make direct payments with respect to covered
4 commodities for the 2008 crop year are as follows:

5 (A) Wheat, \$0.52 per bushel.

6 (B) Corn, \$0.14 per bushel.

7 (C) Grain sorghum, \$0.25 per bushel.

8 (D) Barley, \$0.17 per bushel.

9 (E) Oats, \$0.02 per bushel.

10 (F) Upland cotton, \$0.05 per pound.

11 (G) Rice, \$1.65 per hundredweight.

12 (H) Soybeans, \$0.22 per bushel.

13 (I) Other oilseeds, \$0.01 per pound.

14 (J) Peanuts, \$25.20 per ton.

15 (2) 2009 CROP YEAR.—The payment rates used
16 to make direct payments with respect to covered
17 commodities for the 2009 crop year are as follows:

- 1 (A) Wheat, \$0.52 per bushel.
- 2 (B) Corn, \$0.13 per bushel.
- 3 (C) Grain sorghum, \$0.23 per bushel.
- 4 (D) Barley, \$0.16 per bushel.
- 5 (E) Oats, \$0.02 per bushel.
- 6 (F) Upland cotton, \$0.04 per pound.
- 7 (G) Rice, \$1.53 per hundredweight.
- 8 (H) Soybeans, \$0.20 per bushel.
- 9 (I) Other oilseeds, \$0.01 per pound.
- 10 (J) Peanuts, \$23.40 per ton.
- 11 (3) 2010 CROP YEAR.—The payment rates used
- 12 to make direct payments with respect to covered
- 13 commodities for the 2010 crop year are as follows:
- 14 (A) Wheat, \$0.52 per bushel.
- 15 (B) Corn, \$0.11 per bushel.
- 16 (C) Grain sorghum, \$0.21 per bushel.
- 17 (D) Barley, \$0.14 per bushel.
- 18 (E) Oats, \$0.02 per bushel.
- 19 (F) Upland cotton, \$0.04 per pound.
- 20 (G) Rice, \$1.41 per hundredweight.
- 21 (H) Soybeans, \$0.18 per bushel.
- 22 (I) Other oilseeds, \$0.01 per pound.
- 23 (J) Peanuts, \$21.60 per ton.

1 (4) 2011 CROP YEAR.—The payment rates used
2 to make direct payments with respect to covered
3 commodities for the 2011 crop year are as follows:

4 (A) Wheat, \$0.49 per bushel.

5 (B) Corn, \$0.10 per bushel.

6 (C) Grain sorghum, \$0.35 per bushel.

7 (D) Barley, \$0.13 per bushel.

8 (E) Oats, \$0.02 per bushel.

9 (F) Upland cotton, \$0.04 per pound.

10 (G) Rice, \$1.29 per hundredweight.

11 (H) Soybeans, \$0.15 per bushel.

12 (I) Other oilseeds, \$0.01 per pound.

13 (J) Peanuts, \$19.80 per ton.

14 (5) 2012 CROP YEAR.—The payment rates used
15 to make direct payments with respect to covered
16 commodities for the 2012 crop year are as follows:

17 (A) Wheat, \$0.47 per bushel.

18 (B) Corn, \$0.08 per bushel.

19 (C) Grain sorghum, \$0.18 per bushel.

20 (D) Barley, \$0.12 per bushel.

21 (E) Oats, \$0.02 per bushel.

22 (F) Upland cotton, \$0.03 per pound.

23 (G) Rice, \$1.18 per hundredweight.

24 (H) Soybeans, \$0.13 per bushel.

25 (I) Other oilseeds, \$0.01 per pound.

1 (J) Peanuts, \$18.00 per ton.

2 (6) LIMITED RESOURCE FARMERS.—Notwith-
3 standing paragraphs (2), (3), (4), and (5), the pay-
4 ment rates specified in paragraph (1) shall be used
5 for each of the 2008 through 2012 crop years in the
6 case of a limited resource farmer, as defined by the
7 Secretary.

Section 1102 is amended by adding at the end the
following:

8 “(e) CONSERVATION ENHANCED PAYMENT OP-
9 TION.—

10 “(1) IN GENERAL.—All producers on a farm
11 that meet the eligibility requirements of paragraph
12 (2) may, in lieu of direct payments otherwise pro-
13 vided in this section, make a one time election to re-
14 ceive enhanced direct payments through crop year
15 2012 in accordance with this subsection.

16 “(2) ELIGIBILITY.—To be eligible to obtain an
17 enhanced direct payment for a covered commodity
18 for a crop year under this subsection, the producers
19 on a farm shall enter into a contract with the sec-
20 retary under which the producers of the farm agree,
21 for each crop year—

22 “(A) to forgo all counter-cyclical payments
23 under this subtitle and all marketing assistance

1 loans and all loan deficiency payments under
2 subtitle B for the farm subject to a contract
3 under this subsection;

4 “(B) to carry out conservation practices on
5 the farm that are at least equivalent to the re-
6 quirements for land enrolled under the a con-
7 servation security contract entered into under
8 section 1238A of the Food Security Act of 1985
9 (16 U.S.C. 3838a); and

10 “(C) to meet such other requirements as
11 are established by the Secretary.

12 “(3) AMOUNT.—The amount of an enhanced di-
13 rect payment to be paid to the producers on a farm
14 for a covered commodity for a crop year that enter
15 into a contract with the secretary under this sub-
16 section shall be equal to the product obtained by
17 multiplying—

18 “(A) the amount of the direct payment the
19 producers on a farm would otherwise be eligible
20 to receive under subsection (c); and

21 “(B) 110

22 “(4) ONE TIME ENROLLMENT.—Producers on a
23 farm shall have one period of time (as determined by
24 the Secretary) in which to enter into a contract for
25 a conservation enhanced payment.

1 “(5) DE MINIMIS PAYMENTS.—A payment
2 under this section that is less than \$10.00 in
3 amount shall not be tendered to a producer on a
4 farm”.

Section 1103 is amended to read as follows:

5 **SEC. 1103. COUNTER-CYCLICAL PAYMENTS.**

6 Section 1103 of the Farm Security and Rural Invest-
7 ment Act of 2002 (7 U.S.C. 7913) is amended to read
8 as follows:

9 **“SEC. 1103. COUNTER-CYCLICAL PAYMENTS.**

10 “(a) PAYMENT REQUIRED.—The Secretary shall
11 make counter-cyclical payments to producers on farms for
12 which payment yields and base acres are established with
13 respect to a covered commodity, if the Secretary deter-
14 mines that the national actual revenue per acre for the
15 covered commodity (except for other oilseeds) is less than
16 the national target revenue per acre for the covered com-
17 modity, as determined in this section.

18 “(b) NATIONAL ACTUAL REVENUE PER ACRE.—For
19 each covered commodity (except for other oilseeds) for the
20 applicable year, the Secretary shall establish a national ac-
21 tual revenue per acre by multiplying the national average
22 yield for the given year by the higher of:

1 “(1) the national average market price received
2 by producers during the 12-month marketing year
3 established by the Secretary; or

4 “(2) the loan rate.

5 “(c) NATIONAL TARGET REVENUE PER ACRE.—The
6 national target revenue per acre shall be, on a per acre
7 basis, as follows:

8 “(1) Wheat, \$140.42.

9 “(2) Corn, \$344.12.

10 “(3) Grain Sorghum, \$131.28.

11 “(4) Barley, \$123.13.

12 “(5) Oats, \$88.36.

13 “(6) Upland cotton, \$516.86.

14 “(7) Rice, \$548.06.

15 “(8) Soybeans, \$219.58 .

16 “(9) Peanuts, \$683.83.

17 “(d) NATIONAL PAYMENT YIELD.—The national
18 payment yield shall be as follows:

19 “(1) Wheat, 36.1 bushels per acre.

20 “(2) Corn, 114.2 bushels per acre.

21 “(3) Grain Sorghum, 58.1 bushels per acre.

22 “(4) Barley, 48.7 bushels per acre.

23 “(5) Oats, 49.8 bushels per acre.

24 “(6) Upland cotton, 636 pounds per acre.

25 “(7) Rice, 51.24 hundredweight per acre.

1 “(8) Soybeans, 34.1 bushels per acre.

2 “(9) Peanuts, 1.495 tons per acre.

3 “(e) NATIONAL PAYMENT RATE.—The national pay-
4 ment rate used to make counter-cyclical payments for a
5 crop year shall be the result of—

6 “(1) the difference between the national target
7 revenue per acre for the covered commodity and the
8 national actual revenue per acre for the covered
9 commodity; divided by

10 “(2) the national payment yield for the covered
11 commodity.

12 “(f) PAYMENT AMOUNT.—If counter-cyclical pay-
13 ments are required to be paid for any of the 2008 through
14 2012 crop years of a covered commodity, the amount of
15 the counter-cyclical payment to be paid to the producers
16 on a farm for that crop year for the covered commodity
17 shall be equal to the product of —

18 “(1) the national payment rate for the covered
19 commodity;

20 “(2) the payment acres of the covered com-
21 modity on the farm; and

22 “(3) the payment yield for counter-cyclical pay-
23 ments for the covered commodity.

24 “(g) TIME FOR PAYMENTS.—

1 “(1) GENERAL RULE.—If the Secretary deter-
2 mines that counter-cyclical payments are required to
3 be made under this section for the crop of a covered
4 commodity, the Secretary shall make the counter-cy-
5 clical payments for the crop as soon as practicable
6 after the end of the 12-month marketing year for
7 the covered commodity.

8 “(2) AVAILABILITY OF PARTIAL PAYMENTS.—
9 If, before the end of the 12-month marketing year
10 for a covered commodity, the Secretary estimates
11 that counter-cyclical payments will be required for
12 the crop of the covered commodity, the Secretary
13 shall give producers on a farm the option to receive
14 partial payments of the counter-cyclical payment
15 projected to be made for that crop of the covered
16 commodity.

17 “(3) TIME FOR PARTIAL PAYMENTS.—When the
18 Secretary makes partial payments available under
19 paragraph (2) for a covered commodity—

20 “(A) the first partial payment for the crop
21 year shall be made not earlier than October 1,
22 and, to the maximum extent practicable, not
23 later than October 31, of the calendar year in
24 which the crop of the covered commodity is har-
25 vested;

1 “(B) the second partial payment shall be
2 made not earlier than February 1 of the next
3 calendar year; and

4 “(C) the final partial payment shall be
5 made as soon as practicable after the end of the
6 12-month marketing year for the covered com-
7 modity.

8 “(4) AMOUNT OF PARTIAL PAYMENTS.—

9 “(A) FIRST PARTIAL PAYMENT.—The first
10 partial payment under paragraph (3) to the
11 producers on a farm may not exceed 35 percent
12 of the projected counter-cyclical payment for
13 the covered commodity for the crop year, as de-
14 termined by the Secretary.

15 “(B) SECOND PARTIAL PAYMENT.—The
16 second partial payment under paragraph (3) for
17 a covered commodity for a crop year may not
18 exceed the difference between—

19 “(i) 70 percent of the projected
20 counter-cyclical payment (including any re-
21 vision thereof) for the crop of the covered
22 commodity; and

23 “(ii) the amount of the payment made
24 under subparagraph (A).

1 “(C) FINAL PAYMENT.—The final payment
2 for the crop year shall be equal to the difference
3 between—

4 “(i) the actual counter-cyclical pay-
5 ment to be made to the producers for the
6 covered commodity for that crop year; and

7 “(ii) the amount of the partial pay-
8 ments made to the producers on a farm
9 under subparagraphs (A) and (B) for that
10 crop year.

11 “(5) REPAYMENT.—Producers on a farm that
12 receive a partial payment under this subsection for
13 a crop year shall repay to the Secretary the amount,
14 if any, by which the total of the partial payments ex-
15 ceed the actual counter-cyclical payment to be made
16 for the covered commodity for that crop year.

17 “(h) DE MINIMIS PAYMENTS.—A payment under this
18 section that is less than \$10.00 in amount shall not be
19 tendered to a producer on a farm.”.

 In section 1105(a)(1)(D) insert “, residential” after
 “commercial” and after the period at the end insert the
 following: “In the case of a parcel of land that at anytime
 subsequent to the enactment of the Federal Agriculture
 Improvement and Reform Act of 1996 is subdivided,
 transferred to a new owner and used for the construction

of a new residence, the base acres for covered commodities for the farm shall be eliminated, unless the owner of such residence receives at least \$10,000 of gross income from farming or ranching and the owner of such residence receives gross income from farming or ranching exceeding at least half of their adjusted gross income.”

Section 1201(a)(1) is amended by striking “For each of” and all that follows through “loan commodity, the” and inserting “The”

Section 1201(b) is amended to read as follows:

1 (b) ELIGIBLE PRODUCTION.—

2 (1) IN GENERAL.—The producers on a farm
3 shall be eligible for a marketing assistance loan
4 under subsection (a) for any quantity of a loan com-
5 modity produced on the farm. In addition, such pro-
6 ducers must have beneficial interest, as determined
7 under paragraph (2), in the commodity at the time
8 the commodity is tendered as collateral for such
9 loan.

10 (2) BENEFICIAL INTEREST.—In order to have
11 beneficial interest in a commodity, a producer shall:

12 (A) be the producer of the commodity;

1 (B) possess and maintain ownership and
2 control of the commodity;

3 (C) not have received any payment from
4 any party with respect to the commodity; and

5 (D) satisfy other criteria, as determined by
6 the Secretary.

7 (3) INELIGIBLE PRODUCTION.—A crop of a
8 loan commodity shall be ineligible for a marketing
9 assistance loan if the crop was produced on land of
10 a farm that has been subject to a land transaction
11 covered under section 1101(c).

Section 1201(e) is amended to read as follows:

12 (e) ADJUSTMENTS OF LOANS.—

13 (1) ADJUSTMENT AUTHORITY.—The Secretary
14 may make appropriate adjustments in the loan rates
15 for any commodity for differences in grade, type,
16 quality, location, and other factors.

17 (2) MANNER OF ADJUSTMENT.—The adjust-
18 ments under the authority of this section shall, to
19 the maximum extent practicable, be made in such
20 manner that the national average loan rate for the
21 commodity will, on the basis of the anticipated inci-
22 dence of the factors, be equal to the level of support
23 determined as provided in this title.

1 (f) HANDLING AND STORAGE CHARGES.—All pay-
2 ments for storage, handling or other charges associated
3 with a loan commodity subject to a marketing assistance
4 loan or loan deficiency payment under this subtitle are the
5 responsibility of the producer and shall not be paid by the
6 Secretary.

Section 1202 is amended to read as follows:

7 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
8 **ASSISTANCE LOANS.**

9 (a) IN GENERAL.—Except as provided in subsection
10 (b), the loan rate for each crop of a loan commodity shall
11 be equal to the amount determined by multiplying:

12 (1) .85; and

13 (2) the average of the national average market
14 price received by producers during the five preceding
15 marketing years, excluding the highest and lowest
16 prices determined for such years, as determined by
17 the Secretary.

18 (b) LOAN RATES.—The loan rate determined under
19 (a) shall not exceed, in the case of—

20 (1) wheat, \$2.58 per bushel;

21 (2) corn, \$1.89 per bushel;

22 (3) grain sorghum, \$1.89 per bushel;

23 (4) barley, \$1.70 per bushel;

24 (5) oats, \$1.21 per bushel;

- 1 (6) upland cotton, \$0.5192 per pound;
- 2 (7) extra long staple cotton, \$0.7965 per
- 3 pound;
- 4 (8) rice, \$6.50 per hundredweight;
- 5 (9) soybeans, \$4.92 per bushel;
- 6 (10) other oilseeds, \$0.087 per pound;
- 7 (11) graded wool, \$1.00 per pound;
- 8 (12) nongraded wool, \$0.40 per pound;
- 9 (13) mohair, \$4.20 per pound;
- 10 (14) honey, \$0.60 per pound;
- 11 (15) dry peas, \$6.22 per hundredweight;
- 12 (16) lentils, \$11.72 per hundredweight;
- 13 (17) small chickpeas, \$7.43 per hundredweight;
- 14 and
- 15 (18) peanuts, \$350.00 per ton.

Section 1204(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934) is amended to read as follows:

16 (a) GENERAL RULE.—

17 (1) REPAYMENT OF COMMODITY LOANS.—The
18 Secretary shall permit the producers on a farm to
19 repay a marketing assistance loan under section
20 1201 for a loan commodity (other than upland cot-
21 ton, rice, extra long staple cotton, confectionary and

1 each other kind of sunflower seed (other than oil
2 sunflower seed)) at a rate that is the lesser of—

3 (A) the loan rate established for the com-
4 modity under section 1202, plus interest (deter-
5 mined in accordance with section 163 of the
6 Federal Agriculture Improvement and Reform
7 Act of 1996 (7 U.S.C. 7283)); or

8 (B) a rate that the Secretary determines
9 will—

10 (i) minimize potential loan forfeitures;

11 (ii) minimize the accumulation of
12 stocks of the commodity by the Federal
13 Government;

14 (iii) minimize the cost incurred by the
15 Federal Government in storing the com-
16 modity;

17 (iv) allow the commodity produced in
18 the United States to be marketed freely
19 and competitively, both domestically and
20 internationally; and

21 (v) minimize discrepancies in mar-
22 keting loan benefits across State bound-
23 aries and across county boundaries.

24 (2) RATE ADJUSTMENTS.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B) and except as provided in subsection
3 (b), repayment rates established under this sec-
4 tion shall be adjusted by the Secretary no more
5 than once every month for all loan commodities.

6 (B) MONTHLY REPAYMENT RATE.—In es-
7 tablishing the monthly repayment rates with re-
8 spect to wheat, corn, grain sorghum, barley,
9 oats and soybeans, the rates shall be established
10 by using the rates determined for five days in
11 the previous month as determined in regula-
12 tions issued by the Secretary, which shall—

13 (i) exclude the rates for days that rep-
14 resent the highest and lowest rates for the
15 5 day period; and

16 (ii) use the average of the three re-
17 maining rates to establish the monthly re-
18 payment rate.

19 (3) DATE FOR DETERMINING REPAYMENT
20 RATE.—With respect to the monthly repayment
21 rates established under paragraph (2) and sub-
22 section (b) and (c), the rate shall be—

23 (A) in the case of a producer who, as de-
24 termined by the Secretary, loses beneficial in-
25 terest immediately upon repayment of the loan,

1 the monthly repayment rate determined under
2 paragraph (2) and subsection (b) and (c) that
3 is in effect on the date beneficial interest is lost;
4 and

5 (B) in the case of other producers who did
6 not lose beneficial interest upon repayment of
7 the loan, the repayment rate in effect on the
8 earlier of:

9 (i) the month in which the loan ma-
10 tures; or

11 (ii) the last month of the marketing
12 year established by the Secretary for the
13 commodity.

14 (4) REPAYMENT OF CONFECTIONARY AND
15 OTHER KINDS OF SUNFLOWER SEEDS LOANS.—The
16 Secretary shall permit the producers on a farm to
17 repay a marketing assistance loan under section
18 1201 for confectionary and each other kind of sun-
19 flower seed (other than oil sunflower seed) at a rate
20 that is the lesser of—

21 (A) the loan rate established for the com-
22 modity under section 1202, plus interest (deter-
23 mined in accordance with section 163 of the
24 Federal Agriculture Improvement and Reform
25 Act of 1996 (7 U.S.C. 7283)); or

1 (B) the repayment rate established for oil
2 sunflower seed.

3 (5) QUALITY GRADES FOR DRY PEAS, LENTILS,
4 AND SMALL CHICKPEAS.—The loan repayment rates
5 for dry peas, lentils, and small chickpeas shall be
6 based on the quality grades for the applicable com-
7 modity.

Section 1204(e) is amended—

- (1) by striking “(1) IN GENERAL”;
- (2) by striking “2008” and inserting “(1) the adjusted”;
- (3) by striking “(A) the adjusted” and inserting “(1) the adjusted”;
- (4) by striking “(B) the Friday” and inserting “(2) the Friday”; and
- (5) by striking paragraphs (2) and (3); and
- (6) by striking subsections (f) through (h).

Section 1205(a) is amended by inserting after paragraph (1) the following new paragraph (and redesignating succeeding paragraphs accordingly):

8 (2) BENEFICIAL INTEREST.—At the time pro-
9 ducers request payments under this section, the pro-
10 ducers must have beneficial interest, as defined in

1 section 1201(b)(2), in the commodity for which such
2 payment is requested.

In section 1205(a)(3) by striking “However, effective for the 2002 through 2007 crop years, the” and inserting “The”.

Section 1205(c) is amended to read as follows:

3 (c) PAYMENT RATE.—

4 (1) LOAN COMMODITIES.—

5 (A) IN GENERAL.—With respect to all loan
6 commodities except extra long staple cotton, the
7 payment rate shall be determined as of the day
8 the producer loses beneficial interest in the
9 commodity.

10 (B) FORMULA.—The payment rate under
11 subparagraph (A) shall be the amount that
12 equals the difference between—

13 (i) the loan rate established under section
14 1202 for the loan commodity; and

15 (ii) the monthly repayment rate determined for the commodity under section
16 1204.
17

18 (2) UNSHORN PELTS.—In the case of unshorn
19 pelts, the payment rate shall be the amount that
20 equals the difference between—

1 (A) the loan rate established under section
2 1202 for ungraded wool: and

3 (B) the rate at which ungraded wool may
4 be redeemed under section 1204.

5 (3) HAY, SILAGE, FEED AND SIMILAR USES.—

6 (A) IN GENERAL.—In the case of a com-
7 modity that would otherwise be eligible to be
8 pledged as collateral for a marketing assistance
9 loan at the time of harvest of the commodity,
10 but cannot be pledged due to the normal com-
11 mercial state of the commodity, the payment
12 rate shall be the average of the monthly repay-
13 ment rates established for the first three
14 months of the marketing year of the com-
15 modity, as determined by the Secretary.

16 (B) INCLUSIONS.—Commodities covered by
17 subparagraph (A) shall be determined by the
18 Secretary, and shall include hay, silage, cracked
19 corn, and corn stored in a commingled manner
20 by feedlots.

In section 1205 strike subsection (f).

In section 1206(a) strike “Effective for the 2002
through 2007 “crop years, in” each place it appears and
inserting “In”.

In section 1206(d) strike “A 2002 through 2007 crop of” and inserting “A crop of”.

In section 1207 strike subsection (b) and redesignate subsection (c) as subsection (b).

【Section 1208 of Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7938) is amended】

(1) by striking the section;

(2) by redesignating section 1209 as section 1208;

(3) in section 1208 (as redesignated in paragraph (2)) (A) in subsection (a)(1) by striking “For each of the 2002 through 2007 crops of” and inserting “For each crop of” (B) in subsection (b) by striking “For each of the 2002 through 2007 crops of” and inserting “For each crop of”; and (C) by striking subsection (d).]

In subtitle C strike sections 1301, 1302, and 1303 and insert the following:

1 SEC. 1301. SUGAR PROGRAM.

2 Section 156(j) of the Federal Agriculture Improve-
3 ment and Reform Act of 1996 (7 U.S.C. 7272(j)) is
4 amended by striking “2007” and inserting “2012”.

1 **SEC. 1302. FLEXIBLE MARKETING ALLOTMENTS FOR**
2 **SUGAR.**

3 Section 359b(a)(1) of the Agricultural Adjustment
4 Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended in the
5 matter preceding subparagraph (A) by striking “2007”
6 and inserting “2012”.

Section 1406 is amended by adding the following:

7 **[SEC. ____ . OPTION TO FOREGO FUTURE MILC PAYMENTS.]**

8 **[(a) HEADING.—**Dairy farmers eligible to participate
9 in the Milk Income Loss Contract program may elect in
10 fiscal year 2008 to forego payments from the program be-
11 ginning in fiscal year 2013 in exchange for enhanced pay-
12 ments in the interim.**]**

13 **[(b) TRANSITIONAL PAYMENTS.—**Those producers
14 who take the option will receive an equal payment in each
15 of fiscal years 2008 through 2012 such that the sum of
16 the five payments equals the sum of the Milk Income Loss
17 Contract payments received by that producer in fiscal
18 years 2003 through 2007.**]**

19 **[(d) RELATIONSHIP TO RISK MANAGEMENT AC-**
20 **COUNTS.—**Producers receiving transitional payments who
21 elect to place money in the accounts established in subtitle
22 F of this Act will be eligible to do so and receive the same
23 incentive payment described in that section.**]**

Section 1409 is amended to read as follows:

1 **SEC. 1409. FEDERAL DAIRY COMMISSION.**

2 (a) ESTABLISHMENT.—The secretary of agriculture
3 shall establish a commission to be known as the “federal
4 dairy commission”, in this section referred to as the “com-
5 mission”, which shall conduct a comprehensive review and
6 evaluation of—

7 (1) the current Federal and non-Federal milk
8 marketing order systems;

9 (2) the milk income loss contracting program;

10 (3) the forward contracting program;

11 (4) the 9.90 dairy price support system; and

12 (5) programs in the European Union and other
13 major dairy exporting countries that may have a
14 trade distorting effect.

15 (b) ELEMENT OF REVIEW AND EVALUATION.—As
16 part of the review and evaluation under this section, the
17 commission shall evaluate how well the programs accom-
18 plish the following goals, providing legislative and regu-
19 latory recommendations for achieving these goals

20 (1) ensuring the competitiveness of dairy prod-
21 ucts;

22 (2) enhancing the competitiveness of American
23 dairy products in world markets;

1 (3) increasing the responsiveness of dairy pro-
2 grams to market forces;

3 (4) ensuring an adequate safety net for dairy
4 farmers;

5 (5) streamlining, simplifying, and expediting
6 the administration of these programs; and

7 (6) continuing to serve the interest of the pub-
8 lic, dairy processors, and dairy farmers;

9 (7) operating in a manner to minimize costs to
10 taxpayers;

11 (8) ensuring that we meet our trade obligations;
12 and

13 (9) ensuring the safety of our dairy supply.

14 (c) MEMBERSHIP.—

15 (1) COMPOSITION.—The commission shall con-
16 sist of 16 members and shall include the following
17 representation:

18 (A) Geographical diversity.

19 (B) Diversity in size of operation.

20 (C) At least one State with a Federal mar-
21 keting order.

22 (D) At least one State with a state mar-
23 keting order.

24 (E) At least one State with no marketing
25 order.

- 1 (F) At least two dairy producers.
- 2 (G) At least two dairy processors.
- 3 (H) At least one trade experts.
- 4 (I) At least one State official.
- 5 (J) At least one Federal official.
- 6 (K) At least one nongovernmental organi-
- 7 zation.
- 8 (L) At least one economist.
- 9 (M) At least one representative of a land
- 10 grant university.
- 11 (2) APPOINTMENTS.—Within 3 months of the
- 12 date of enactment, commission members shall be ap-
- 13 pointed as follows:
- 14 (A) Two members appointed by the Major-
- 15 ity Leader of the Senate, in consultation with
- 16 the Chair and ranking member of the Com-
- 17 mittee on Agriculture of the House of Rep-
- 18 resentatives.
- 19 (B) Two members appointed by the Speak-
- 20 er of the House of Representatives, in consulta-
- 21 tion with the Chair and ranking member of the
- 22 Senate Committee on Agriculture, Nutrition
- 23 and Forestry of the Senate.
- 24 (C) Fourteen members appointed by the
- 25 Secretary of Agriculture.

1 (3) CHAIR.—The commission shall elect one of
2 its members to serve as chairperson during the dura-
3 tion of the commission’s proceedings.

4 (4) VACANCY.—Any vacancy occurring before
5 the termination of the commission shall be filled in
6 the same manner as the original appointment.

7 (5) COMPENSATION.—Members of the commis-
8 sion shall serve without compensation, but shall be
9 reimbursed by the Secretary from existing budgetary
10 resources for necessary and reasonable expenses in-
11 curred in the performance of the duties of the com-
12 mission.

13 (d) REPORT.—Not later than three years after the
14 date of establishment of the commission, the commission
15 shall submit to Congress and the Secretary of Agriculture
16 a report setting forth the results of the review and evalua-
17 tion conducted under this section, including recommenda-
18 tions regarding legislative and regulatory options for ac-
19 complishing the goals under subsection (____). The report
20 findings shall reflect, to the greatest extent possible, a con-
21 sensus opinion of the commission members, but shall in-
22 clude majority and minority findings and their supporters
23 regarding those matters for which consensus was not
24 reached.

1 (e) ADVISORY NATURE.—The commission is wholly
2 advisory in nature and bound by the requirements of the
3 FACA.

4 (f) NO EFFECT ON EXISTING PROGRAMS.—The Sec-
5 retary shall not allow the existence of the commission to
6 impede, delay, or otherwise affect any regulatory decision-
7 making.

8 (g) ADMINISTRATIVE ASSISTANCE.—The Secretary
9 shall provide administrative support to the commission,
10 and expend such funds as necessary from existing budget
11 authority to carry out this responsibility.

12 (h) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as are nec-
14 essary to carry out this section.

15 (i) TERMINATION.—The commission shall terminate
16 60 days after submission of the report under subpara-
17 graph (D), during which time it will remain available to
18 answer question of Congress and the Secretary regarding
19 the report.

Strike sections 1503 and 1504 and insert the fol-
lowing:

20 **SEC. 1503. PAYMENT LIMITATIONS.**

21 Section 1001 of the Food Security Act of 1985 (7
22 U.S.C. 1308) is amended—

1 (1) in subsection (a) by striking paragraphs (1)
2 and (2) and inserting the following:

3 “(1) ENTITY.—

4 “(A) IN GENERAL.—THE TERM ‘ENTITY’
5 MEANS.—

6 “(i) an organization that (subject to
7 the requirements of this section and sec-
8 tion 1001A) is eligible to receive a pay-
9 ment under a provision of law referred to
10 in subsection (b) or (c);

11 “(ii) a corporation, joint stock com-
12 pany, association, limited partnership, lim-
13 ited liability company, limited liability
14 partnership, charitable organization, es-
15 tate, irrevocable trust, a grantor of a rev-
16 ocable trust, or other similar entity (as de-
17 termined by the Secretary); and

18 “(iii) an organization that is partici-
19 pating in a farming operation as a partner
20 in a general partnership or as a participant
21 in a joint venture.

22 “(B) EXCLUSION.—Except in section
23 1001F, the term ‘entity’ does not include a gen-
24 eral partnership or joint venture.

1 “(C) ESTATES.—In defining the term enti-
2 ties as it will apply to estates, the Secretary
3 shall ensure that fair and equitable treatment is
4 given to estates and the beneficiaries thereof.

5 “(D) IRREVOCABLE TRUSTS.—In defining
6 the term entities as it will apply to irrevocable
7 trusts, the Secretary shall ensure that irrev-
8 ocable trusts are legitimate entities and have
9 not been created for the purpose of avoiding the
10 payment limitation.

11 “(2) INDIVIDUAL.—The term ‘individual’
12 means—

13 “(A) a natural person, and any minor child
14 of the natural person (as determined by the
15 Secretary), who, subject to the requirements of
16 this section and section 1001A, is eligible to re-
17 ceive a payment under a provision of law re-
18 ferred to in subsection (b), (c), or (d); and

19 “(B) a natural person participating in a
20 farming operation as a partner in a general
21 partnership, a participant in a joint venture, a
22 grantor of a revocable trust, or a participant in
23 a similar entity (as determined by the Sec-
24 retary).

1 “(3) SECRETARY.—The term ‘Secretary’ means
2 the Secretary of Agriculture.”.

3 (2) by striking subsections (b) through (f) and
4 inserting the following:

5 “(b) LIMITATION ON DIRECT PAYMENTS.—The total
6 amount of direct payments that an individual or entity
7 may receive, directly or indirectly, during any crop year
8 under subtitle A or C of title I of the Farm Security and
9 Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.)
10 for 1 or more covered commodities or peanuts shall not
11 exceed \$20,000.

12 “(c) LIMITATION ON COUNTER-CYCLICAL PAY-
13 MENTS.—The total amount of counter-cyclical payments
14 that an individual or entity may receive, directly or indi-
15 rectly, during any crop year under subtitle A or C of title
16 I of the Farm Security and Rural Investment Act of 2002
17 (7 U.S.C. 7911 et seq.) for 1 or more covered commodities
18 or peanuts shall not exceed \$30,000.

19 “(d) LIMITATIONS ON MARKETING LOAN GAINS,
20 LOAN DEFICIENCY PAYMENTS, AND COMMODITY CER-
21 TIFICATE TRANSACTIONS.—The total amount of the fol-
22 lowing gains and payments that an individual or entity
23 may receive during any crop year may not exceed \$75,000.

24 “(1)(A) Any gain realized by a producer from
25 repaying a marketing assistance loan for 1 or more

1 loan commodities or peanuts under subtitle B of title
2 I of the Farm Security and Rural Investment Act of
3 2002 (7 U.S.C. 7931 et seq.) at a lower level than
4 the original loan rate established for the loan com-
5 modity under that subtitle.

6 “(B) In the case of settlement of a marketing
7 assistance loan for 1 or more loan commodities
8 under that subtitle by forfeiture, the amount by
9 which the loan amount exceeds the repayment
10 amount for the loan if the loan had been settled by
11 repayment instead of forfeiture.

12 “(2) Any loan deficiency payments received for
13 1 or more loan commodities under that subtitle.

14 “(3) Any gain realized from the use of a com-
15 modity certificate issued by the Commodity Credit
16 Corporation for 1 or more loan commodities, as de-
17 termined by the Secretary, including the use of a
18 certificate for the settlement of a marketing assist-
19 ance loan made under that subtitle or section 1307
20 of that Act (7 U.S.C. 7957).

21 “(e) PAYMENT TO INDIVIDUALS AND ENTITIES.—
22 Notwithstanding subsections (b) through (d), an indi-
23 vidual or entity, directly or indirectly through all owner-
24 ship interests of the individual or entity from all sources,
25 may received payments for a fiscal or corresponding crop

1 year up to but not exceeding twice the limitations estab-
2 lished under subsections (b) through (d).

3 “(f) SINGLE FARMING OPERATION.—Notwith-
4 standing subsections (b) through (d), subject to paragraph
5 (2), an individual or entity that participates only in a sin-
6 gle farming operation and receives, directly or indirectly,
7 any payment or gain covered by this section through the
8 farming operation, may receive payments for a fiscal or
9 corresponding crop year up to but not exceeding twice the
10 limitations established under subsections (b) through (d).

11 “(g) SPOUSAL EQUITY.—

12 “(1) IN GENERAL.—Notwithstanding sub-
13 sections (b), (c), (d), (e) and (f) except as provided
14 in paragraph (2), if an individual and the spouse of
15 the individual are covered by paragraph (2) and re-
16 ceive, directly or indirectly, any payment or gain cov-
17 ered by this section, the total amount of payments
18 or gains (as applicable) covered by this section that
19 the individual and spouse may jointly receive during
20 any crop year may not exceed an amount equal to
21 twice the applicable dollar amounts specified in sub-
22 sections (b), (c), and (d).

23 “(2) EXCEPTIONS.—

24 “(A) SEPARATE FARMING OPERATIONS.—

25 In the case of a married couple in which each

1 spouse, before the marriage, was separately en-
2 gaged in an unrelated farming operation, each
3 spouse shall be treated as a separate individual
4 with respect to a farming operation brought
5 into the marriage by a spouse, subject to the
6 condition that the farming operation shall re-
7 main a separate farming operation, as deter-
8 mined by the Secretary.

9 “(B) ELECTION TO RECEIVE SEPARATE
10 PAYMENTS.—A married couple may elect to re-
11 ceive payments separately in the name of each
12 spouse if the total amount of payments and
13 benefits described in subsections (b), (c), and
14 (d) that the married couple receives, directly or
15 indirectly, does not exceed an amount equal to
16 twice the applicable dollar amounts specified in
17 those subsections.

18 “(h) PUBLIC SCHOOLS.—The provisions of this sec-
19 tion that limit payments to any individual or entity shall
20 not be applicable to land owned by a public school district
21 or land owned by a State that is used to maintain a public
22 school.

23 “(i) TIME LIMITS; RELIANCE.—Regulations of the
24 Secretary shall establish time limits for the various steps
25 involved with notice, hearing, decision, and the appeals

1 procedure in order to ensure expeditious handling and set-
2 tlement of payment limitation disputes. Notwithstanding
3 any other provision of law, actions taken by an individual
4 or other entity in good faith on action or advice of an au-
5 thorized representative of the Secretary may be accepted
6 as meeting the requirement under this section or section
7 1001A, to the extent the Secretary deems it desirable in
8 order to provide fair and equitable treatment.”.

9 **SEC. 1504. PAYMENTS LIMITED TO ACTIVE FARMERS.**

10 Section 1001A of the Food Security Act of 1985 (7
11 U.S.C. 1308–1) is amended—

12 (1) by striking the section designation and
13 heading and all that follows through the end of sub-
14 section (a) and inserting the following:

15 “(a) SUBSTANTIVE CHANGE.—

16 “(1) IN GENERAL.—For purposes of the appli-
17 cation of limitations under this section, the Sec-
18 retary shall not approve any change in a farming op-
19 eration that otherwise would increase the number of
20 individuals or entities (as defined in section 1001(a))
21 to which the limitations under this section apply, un-
22 less the Secretary determines that the change is
23 bona fide and substantive.

24 “(2) FAMILY MEMBERS.—For the purpose of
25 paragraph (1), the addition of a family member (as

1 defined in subsection (b)(2)(A)) to a farming oper-
2 ation under the criteria established under subsection
3 (b)(3)(B) shall be considered to be a bona fide and
4 substantive change in the farming operation.

5 “(3) PRIMARY CONTROL.—To prevent a farm
6 from reorganizing in a manner that is inconsistent
7 with the purposes of this Act, the Secretary shall
8 promulgate such regulations as the Secretary deter-
9 mines to be necessary to simultaneously attribute
10 payments for a farming operation to more than one
11 individual or entity, including the individual or enti-
12 ty that exercises primary control over the farming
13 operation, including to respond to —

14 “(A)(i) any instance in which ownership of
15 a farming operation is transferred to an indi-
16 vidual or entity under an arrangement that pro-
17 vides for the sale or exchange of any asset or
18 ownership interest in 1 or more entities at less
19 than fair market value; and

20 “(ii) the transferor is provided preferential
21 rights to repurchase the asset or interest at less
22 than fair market value; or

23 “(B) a sale or exchange of any asset or
24 ownership interest in 1 or more entities under
25 an arrangement under which rights to exercise

1 control over the asset or interest are retained,
2 directly or indirectly, by the transferor.”

3 (2) in subsection (b)—

4 (A) by striking paragraph (1) and insert-
5 ing the following:

6 “(1) IN GENERAL.—To be eligible to receive, di-
7 rectly or indirectly, payments or benefits described
8 as being subject to limitation in subsection (b) or (c)
9 of section 1001 with respect to a particular farming
10 operation, an individual or entity (as defined in sec-
11 tion 1001(a)) shall be actively engaged in farming
12 with respect to the farming operation, in accordance
13 with paragraphs (2), (3), and (4).”;

14 (B) in paragraph (2)—

15 (i) by striking subparagraphs (A),
16 (B), and (C) and inserting the following:

17 “(A) DEFINITIONS.—In this paragraph:

18 “(i) ACTIVE PERSONAL MANAGE-
19 MENT.—The term ‘active personal manage-
20 ment’ means with respect to an individual,
21 administrative duties carried out by the in-
22 dividual for a farming operation—

23 “(I) that are personally provided
24 by the individual on a regular, sub-
25 stantial, and continuing basis; and

1 “(II) relating to the supervision
2 and direction of—

3 “(aa) activities and labor in-
4 volved in the farming operation;
5 and

6 “(bb) onsite services directly
7 related and necessary to the
8 farming operation.

9 “(ii) FAMILY MEMBER.—The term
10 ‘family member’, with respect to an indi-
11 vidual participating in a farming operation,
12 means an individual who is related to the
13 individual as a lineal ancestor, a lineal de-
14 scendant, or a sibling (including a spouse
15 of such and individual).

16 “(B) ACTIVE ENGAGEMENT.—Except as
17 provided in paragraph (3), for purposes of
18 paragraph (1), the following shall apply:

19 “(i) An individual shall be considered
20 to be actively engaged in farming with re-
21 spect to a farming operation if—

22 “(I) the individual makes a sig-
23 nificant contribution, as determined
24 under subparagraph (E) (based on the

1 total value of the farming operation),
2 to the farming operation of—

3 “(aa) capital, equipment, or
4 land; and

5 “(bb) personal labor and ac-
6 tive personal management;

7 “(II) the share of the individual
8 of the profits or losses from the farm-
9 ing operation is commensurate with
10 the contributions of the individual to
11 the operation; and

12 “(III) a contribution of the indi-
13 vidual is at risk.

14 “(ii) An entity shall be considered to
15 be actively engaged in farming with respect
16 to a farming operation if—

17 “(I) the entity makes a signifi-
18 cant contribution, as determined
19 under subparagraph (E) (based on the
20 total value of the farming operation),
21 to the farming operation of capital,
22 equipment, or land;

23 “(II)(aa) the stockholders or
24 members that collectively own at least
25 51 percent of the combined beneficial

1 interest in the entity each make a sig-
2 nificant contribution of personal labor
3 and active personal management to
4 the operation; or

5 “(bb) in the case of an entity in
6 which all of the beneficial interests
7 are held by family members, any
8 stockholder or member (or household
9 comprised of a stockholder or member
10 and the spouse of the stockholder or
11 member) who owns at least 10 per-
12 cent of the beneficial interest in the
13 entity makes a significant contribution
14 of personal labor or active personal
15 management; and

16 “(III) the entity meets the re-
17 quirements of subclauses (II) and
18 (III) of clause (i).

19 “(C) ENTITIES MAKING SIGNIFICANT CON-
20 TRIBUTIONS.—If a general partnership, joint
21 venture, or similar entity (as determined by the
22 Secretary) separately makes a significant con-
23 tribution (based on the total value of the farm-
24 ing operation involved) of capital, equipment, or
25 land, the partners or members making a signifi-

1 cant contribution of personal labor or active
2 personal management and meeting the stand-
3 ards provided in subclauses (II) and (III) of
4 subparagraph (B)(i), shall be considered to be
5 actively engaged in farming with respect to the
6 farming operation”; and

7 (ii) by adding at the end the fol-
8 lowing:

9 “(E) SIGNIFICANT CONTRIBUTION OF PER-
10 SONAL LABOR OR ACTIVE PERSONAL MANAGE-
11 MENT.—

12 “(i) IN GENERAL.—Subject to clause
13 (ii), for purposes of subparagraph (B), an
14 individual shall be considered to be pro-
15 viding, on behalf of the individual or an
16 entity, a significant contribution of per-
17 sonal labor or active personal management,
18 if the total contribution of personal labor
19 and active personal management is at least
20 equal to the lesser of—

21 “(I) 1,000 hours; and

22 “(II) a period of time equal to—

23 “(aa) 50 percent of the com-
24 mensurate share of the total
25 number of hours of personal

1 labor and active personal man-
2 agement required to conduct the
3 farming operation; or

4 “(bb) in the case of a stock-
5 holder or member (or household
6 comprised of a stockholder or
7 member and the spouse of the
8 stockholder or member) that
9 owns at least 10 percent of the
10 beneficial interest in an entity in
11 which all of the beneficial inter-
12 ests are held by family members,
13 50 percent of the commensurate
14 share of hours of the personal
15 labor and active personal man-
16 agement of all family members
17 required to conduct the farming
18 operation.

19 “(ii) MINIMUM LABOR HOURS.—For
20 the purpose of clause (i), the minimum
21 number of labor hours required to produce
22 a commodity shall be equal to the number
23 of hours that would be necessary to con-
24 duct a farming operation for the produc-
25 tion of each commodity that is comparable

1 in size to the commensurate share of an
2 individual or entity in the farming oper-
3 ation for the production of the commodity,
4 based on the minimum number of hours
5 per acre required to produce the com-
6 modity in the State in which the farming
7 operation is located, as determined by the
8 Secretary.”

9 (C) in paragraph (3) by striking subpara-
10 graphs (A), (B), and (C) and inserting the fol-
11 lowing:

12 “(A) LANDOWNERS.—An individual or en-
13 tity that is a landowner contributing owned
14 land, and that meets the requirements of sub-
15 clauses (II) and (III) of paragraph (2)(B)(i), if
16 as determined by the Secretary —

17 “(i) the landowner share-rents the
18 land at a rate that is usual and customary;
19 and

20 “(ii) the share received by the land-
21 owner is commensurate with the share of
22 the crop or income received as rent.

23 “(B) FAMILY MEMBERS.—With respect to
24 a farming operation conducted by individuals
25 who are family members, or an entity the ma-

1 jority of whose stockholders or members are
2 family members, an adult family member who
3 makes a significant contribution (based on the
4 total value of the farming operation) of active
5 personal management or personal labor and,
6 with respect to such contribution, who meets
7 the requirements of subclauses (II) and (III) of
8 paragraph (2)(B)(i).

9 “(C) SHARECROPPERS.—A sharecropper
10 who makes a significant contribution of per-
11 sonal labor to the farming operation and, with
12 respect to such contribution, who meets the re-
13 quirements of subclauses (II) and (III) of para-
14 graph (2)(B)(i), and who was receiving pay-
15 ments from the landowner as a sharecropper
16 prior to the effective date of this Act.”

17 (D) in paragraph (4)—

18 (i) in the paragraph heading, by strik-
19 ing “PERSONS” and inserting “INDIVID-
20 UALS AND ENTITIES”;

21 (ii) in the matter preceding subpara-
22 graph (A), by striking “persons” and in-
23 serting “individuals and entities”; and

24 (iii) by striking subparagraph (B) and
25 inserting the following:

1 “(B) OTHER INDIVIDUALS AND ENTI-
2 TIES.—Any other individual or entity, or class
3 of individuals or entities, that fails to meet the
4 requirements of paragraphs (2) and (3), as de-
5 termined by the Secretary.”

6 (E) by redesignating paragraphs (5) and
7 (6) as paragraphs (6) and (7), respectively;

8 (F) by inserting after paragraph (4) the
9 following:

10 “(5) PERSONAL LABOR AND ACTIVE PERSONAL
11 MANAGEMENT.—No stockholder or member may
12 provide personal labor or active personal manage-
13 ment to meet the requirements of this subsection for
14 individuals or entities that collectively receive, di-
15 rectly or indirectly, an amount equal to more than
16 twice the applicable limits under subsections (b), (c),
17 and (d) of section 1001.”

18 (G) In paragraph (6) (as redesignated by
19 subparagraph (e))

20 (i) in the first sentence—

21 (I) by striking “A person” and
22 inserting “An individual or entity”;
23 and

1 (II) by striking “such person”
2 and inserting “the individual or enti-
3 ty”; and

4 (ii) by striking the second sentence;
5 and

6 (3) by adding at the end the following:

7 “(c) NOTIFICATION BY ENTITIES.—To facilitate the
8 administration of this section, each entity that receives
9 payments or benefits described as being subject to limita-
10 tion in subsection (b), (c), or (d) of section 1001 with re-
11 spect to a particular farming operation shall—

12 “(1) notify each individual or other entity that
13 acquires or holds a beneficial interest in the farming
14 operation of the requirements and limitations under
15 this section; and

16 “(2) provide to the Secretary, at such times and
17 in such manner as the Secretary may require, the
18 name and social security number of each individual,
19 or the name and taxpayer identification number of
20 each entity, that holds or acquires such a beneficial
21 interest.

22 “(4) FOUR LEVELS OF ATTRIBUTION FOR EM-
23 BEDDED ENTITIES.—

1 “(A) IN GENERAL.—Attribution of pay-
2 ments made to legal entities shall be traced
3 through four levels of ownership in entities.

4 “(B) FIRST LEVEL.—Any payments made
5 to a legal entity (a first-tier entity) that is
6 owned in whole or in part by a person shall be
7 attributed to the person in an amount that rep-
8 resents the direct ownership in the first-tier en-
9 tity by the person.

10 “(C) SECOND LEVEL.—Any payments
11 made to a first-tier entity that is owned in
12 whole or in part by another legal entity (a sec-
13 ond-tier entity) shall be attributed to the sec-
14 ond-tier entity in proportion to the second-tier
15 entity’s ownership in the first-tier entity. If the
16 second-tier entity is owned in whole or in part
17 by a person, the amount of the payment made
18 to the first-tier entity shall be attributed to the
19 person in the amount that represents the indi-
20 rect ownership in the first-tier entity by the
21 person.

22 “(D) THIRD AND FOURTH LEVELS.—The
23 Secretary shall attribute payments at the third
24 and fourth tiers of ownership in the same man-
25 ner as specified in subparagraph (C) unless the

1 fourth-tier of ownership is that of a fourth-tier
2 entity and not that of a person, in which case
3 the Secretary shall reduce the amount of the
4 payment to be made to the first-tier entity in
5 the amount that represents the indirect owner-
6 ship in the first-tier entity by the fourth-tier en-
7 tity.”.

8 **SEC. 1505. SCHEMES OR DEVICES.**

9 Section 1001B of the Food Security Act of 1985 (7
10 U.S.C. 1308–2) is amended—

11 (1) by inserting “(a) IN GENERAL.—” before
12 “if”;

13 (2) in subsection (a) (as designated by para-
14 graph (1)), by striking “person” each place it ap-
15 pears and inserting “individual or entity”; and

16 (3) by adding at the end the following:

17 “(b) FRAUD.—If fraud is committed by an individual
18 or entity in connection with a scheme or device to evade,
19 or that has the purpose of evading, section 1001, 1001A,
20 or 1001C, the individual or entity shall be ineligible to
21 receive farm program payments described as being subject
22 to limitation in subsection (b), (c), or (d) of section 1001
23 for—

24 “(1) the crop year for which the scheme or de-
25 vice is adopted; and

1 “(2) the succeeding 5 crop years.

2 “(c) JOINT AND SEVERAL LIABILITY.—All individ-
3 uals and entities who participate in a scheme or device
4 described in subsection (a) or (b) shall be jointly and sev-
5 erally liable for any and all overpayments resulting from
6 the scheme or device, and subject to program ineligibility
7 resulting from the scheme or device, regardless of whether
8 a particular individual or entity was or was not a payment
9 recipient.

10 “(d) WAIVER AUTHORITY.—The Secretary may fully
11 or partially release an individual or entity from liability
12 for repayment of program proceeds under subsection
13 (a)(2) if the individual or entity cooperates with the De-
14 partment of Agriculture by disclosing a scheme or device
15 to evade section 1001, 1001A, or 1001C or any other pro-
16 vision of law administered by the Secretary that imposes
17 a payment limitation. The decision of the Secretary under
18 this subsection is vested in the sole discretion of the Sec-
19 retary.”.

20 **SEC. 1506. FOREIGN INDIVIDUALS AND ENTITIES MADE IN-**
21 **ELIGIBLE FOR PROGRAM BENEFITS.**

22 Section 1001C of the Food Security Act of 1985 (7
23 U.S.C. 1308–3) is amended—

1 (1) in the section heading, by striking “**PER-**
2 **SONS**” and inserting “**INDIVIDUALS AND ENTI-**
3 **TIES**”;

4 (2) in subsection (a), by striking “person” each
5 place it appears and inserting “individual”; and

6 (3) in subsection (b)—

7 (A) in the subsection heading, by striking
8 “CORPORATION OR OTHER”; and

9 (B) by striking “a corporation or other en-
10 tity” and inserting “an entity”.

11 **SEC. 1507. ADJUSTED GROSS INCOME LIMITATION.**

12 (a) EXTENSION OF ADJUSTED GROSS INCOME LIM-
13 ITATION.—

14 (b) MODIFICATION OF LIMITATION.—Section
15 1001D(b) of the Food Security Act of 1985 (7 U.S.C.
16 1308–3a(b)) is amended—

17 (1) by striking paragraph (1) and inserting the
18 following new paragraph:

19 “(1) CAPS.—

20 “(A) UPPER LIMIT.—Notwithstanding any
21 other provision of law, an individual or entity
22 shall not be eligible to receive any benefit de-
23 scribed in paragraph (2) during a crop year and
24 no benefits shall be provided on land owned by
25 an individual or entity if the average adjusted

1 gross income of the entity or individual com-
2 bined with the income of the individual's spouse
3 exceeds \$250,000.

4 “(B) PRODUCER EXEMPTION.—Notwith-
5 standing any other provision of law, an indi-
6 vidual or entity shall not be eligible to receive
7 any benefit described in paragraph (2) and no
8 benefits shall be provided on land owned by an
9 individual or entity during a crop year if the av-
10 erage adjusted gross income of the entity or in-
11 dividual combined with the income of the indi-
12 vidual's spouse exceeds \$125,000, unless not
13 less than 66.66 percent of the average adjusted
14 gross income of the entity or individual com-
15 bined with the income of the individuals spouse
16 is derived from farming, ranching, or forestry
17 operations, as determined by the Secretary.”;

18 (2) in paragraph (2)(A), by striking “or C”;

19 and

20 (3) by adding at the end the following new
21 paragraph:

22 “(3) INCOME DERIVED FROM FARMING, RANCH-
23 ING OR FORESTRY OPERATIONS.—In determining
24 what portion of the average adjusted gross income of
25 an individual or entity is derived from farming,

1 ranching, or forestry operations, the Secretary shall
2 include income derived from the following:

3 “(A) The production of crops, livestock, or
4 unfinished raw forestry products.

5 “(B) The sale, including the sale of ease-
6 ments and development rights, of farm, ranch,
7 or forestry land or water rights.

8 “(C) The sale, but not as a dealer, of
9 equipment purchased to conduct farm, ranch,
10 or forestry operations when the equipment is
11 otherwise subject to depreciation expense.

12 “(D) The rental of land used for farming,
13 ranching, or forestry operations.

14 “(E) The provision of production inputs
15 and services to farmers, ranchers, and foresters.

16 “(F) The processing, storing, and trans-
17 porting of farm, ranch, and forestry commod-
18 ities.

19 “(G) The sale of land that has been used
20 for agriculture.”.

21 **SEC. 1508. REGULATIONS.**

22 (a) IN GENERAL.—The Secretary of Agriculture may
23 promulgate such regulations as are necessary to imple-
24 ment this Act and the amendment made to this Act.

1 (b) PROCEDURE.—The promulgation of the regula-
2 tions and administration of this Act and the amendments
3 made by this Act shall be made without regard to

4 (1) the notice and comment provisions of sec-
5 tion 553 of title 5, United States Code;

6 (2) the Statement of Policy of the Secretary of
7 Agriculture effective July 24, 1971 (36 Fed. Reg.
8 13804), relating to notices of proposed rulemaking
9 and public participation in rulemaking; and

10 (3) chapter 35 of title 44, United States Code
11 (commonly known as the “Paperwork Reduction
12 Act”).

13 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-
14 MAKING.—In carrying out this section, the Secretary shall
15 use the authority provided under section 808 of title 5,
16 21 United States Code.

Strike section 1512 (title I, page 109, beginning line
1), relating to mandatory reporting for peanuts

At the end of title I insert the following:

1 **Subtitle F—Risk Management**
2 **Accounts**

3 **SEC. 1601. ESTABLISHMENT OF RISK MANAGEMENT AC-**
4 **COUNTS.**

5 (a) IN GENERAL.—The Secretary shall establish op-
6 tional Risk Management Accounts for all eligible farmers
7 and offer incentives to encourage farmers to save money
8 during years of high profits to use during years of low
9 profits, and for retirement.

10 (b) DEFINITIONS.—For purposes of this section—

11 (1) OPERATOR.—The term “operator” means
12 an individual or entity that—

13 (A) either—

14 (i) during each of the preceding 5 tax-
15 able years, filed a schedule F of the Fed-
16 eral income tax returns or a comparable
17 tax form related to the agricultural oper-
18 ations of the individual or entity, as ap-
19 proved by the Secretary; or

20 (ii) is a beginning farmer or rancher,
21 as determined by the Secretary; and

22 (B) earned—

23 (i) at least \$10,000 in average ad-
24 justed gross revenue for the preceding 5
25 taxable years;

1 (ii) less than such amount, but is a
2 limited resource farmer or rancher, as de-
3 termined by the Secretary; or

4 (iii) at least \$10,000 in estimated in-
5 come from all agricultural operations for
6 the applicable year, as determined by the
7 Secretary, and is a beginning farmer or
8 rancher under subparagraph (A)(ii).

9 (2) FARM.—The term “farm” is land used for
10 production of crops, livestock and other agricultural
11 products of which the operator has more than de-
12 minimis control or ownership.

13 (3) ADJUSTED GROSS REVENUE.—The term
14 “adjusted gross revenue” means the adjusted gross
15 income as determined by the Secretary, from the
16 sale of agricultural crops grown, dairy products pro-
17 duced, and livestock raised as part of an agricultural
18 operation—

19 (A) by taking into account gross receipts
20 from the sale of agricultural crops, eligible live-
21 stock and dairy products on the agricultural op-
22 eration, including insurance indemnities;

23 (B) by including all farm payments paid by
24 the Secretary or any other government entity
25 for the agricultural operation related to agricul-

1 tural crops, eligible livestock and dairy prod-
2 ucts;

3 (C) by deducting the cost or basis of live-
4 stock or other items purchased for resale, such
5 as feeder livestock, on the agricultural oper-
6 ation;

7 (D) by excluding revenues that do not
8 arise from the sale of crops grown, dairy prod-
9 ucts produced or livestock raised on an agricul-
10 tural operation, such as revenues associated
11 with the packaging, merchandising, marketing
12 and reprocessing of the agricultural product be-
13 yond that typically undertaken by a producer of
14 the crop, dairy products or livestock as deter-
15 mined by the Secretary;

16 (E) by using with such adjustments, addi-
17 tions and additional documentation as the Sec-
18 retary determines is appropriate, information
19 presented on—

20 (i) a schedule F of the Federal income
21 tax returns of the producer; or

22 (ii) a comparable tax form related to
23 the agricultural operations of the producer,
24 as approved by the Secretary.

1 (c) ESTABLISHMENT.—Any operator of a farm, in-
2 cluding dairy farms and “specialty crop” farms, may es-
3 tablish a Risk Management Account in the name of the
4 farm to be jointly administered by the Secretary and a
5 private banking institution, credit union, or other ap-
6 proved lender.

7 (d) VOLUNTARY CONTRIBUTIONS.—An operator of a
8 farm may make voluntary contributions to their Risk
9 Management Account up to the limits specified in section
10 219(b)(5)(A) of the Internal Revenue Code of 1986, as
11 amended.

12 (e) INCENTIVES FOR CONTRIBUTIONS.—For pro-
13 ducers eligible for Direct Payments under Subtitle A of
14 this Act, for each dollar contributed to the account by the
15 producer, up to the full amount of the Direct Payment
16 received in that year, the Secretary shall make a matching
17 contribution of 5 percent.

18 (f) WITHDRAWALS.—An operator who establishes an
19 account may withdraw funds under the following condi-
20 tions and amounts:

21 (1) In a year when the farm’s adjusted gross
22 revenue is less than 95 percent of the five-year aver-
23 age adjusted gross revenue, the producer may with-
24 draw funds up to the amount of the difference.

1 (2) Up to 10 percent of the account balance for
2 investments in rural enterprises that contribute to
3 the agricultural economy, as defined by the Sec-
4 retary, no more than once in any five-year period.

5 (3) When withdrawals are necessary to protect
6 the solvency of the farm, as determined by the Sec-
7 retary.

8 (4) To purchase revenue or crop insurance.

9 (5) Without restriction once the farmer has re-
10 tired from farming, as determined by the farmer's
11 no longer filing a Schedule F Income Tax Return.

12 (g) VIOLATIONS.—If an operator fails to meet the
13 conditions established for a contribution to an account, the
14 operator shall refund to the Secretary an amount equal
15 to the contribution in any fiscal year in which a violation
16 occurred.

17 (h) SALE OR TRANSFER.—If an operator sells or
18 transfers a farm, the operator may elect to—

19 (1) transfer all or a portion of the account to
20 another farm in which the operator has a controlling
21 ownership interest or acquires a controlling owner-
22 ship interest within two years of the sale or transfer
23 of the original agricultural operation;

1 (2) transfer the account to the purchaser of the
2 farm if the operator is not already a holder of an ac-
3 count; or

4 (3) rollover the account into an Individual Re-
5 tirement Account pursuant to section 408 of the In-
6 ternal Revenue Code of 1986 of the operator, if the
7 operator is a natural person, or, if the operator is
8 an entity, into the accounts of any natural person
9 who has a substantial beneficial interest in the farm
10 that is the subject of the account.

11 (i) CONSERVATION COMPLIANCE.—Any operator and
12 any holder of a beneficial interest in a farm subject to
13 an account shall—

14 (1) comply with applicable conservation require-
15 ments under subtitle B of title XII of the Food Se-
16 curity Act of 1985 (16 U.S.C. 3811 et seq.); and

17 (2) comply with applicable wetland conservation
18 requirements under subtitle C of title XII of that
19 Act (16 U.S.C. 3821 et seq.).

[CONSERVATION TITLE]

In the matter proposed to be inserted by section
2103 strike “2012” and inserting “2009”.

[Section 2104 is amended in subsection (b) by strik-
ing “by striking paragraph (1)” and all that follows

through “2012” and inserting in paragraph (1), by striking “2,000,000 acres” and inserting “5,000,000 acres”.]

In section 2104 redesignate subsections (d) and (e) as subsections (e) and (f) and insert after subsection (e) the following:

1 (d) GRASSLAND RESERVE PROGRAM.—Section
2 1241(a) of the Food Security Act of 1985 (16 U.S.C.
3 3841(a)) is amended by striking paragraph (5) and insert-
4 ing the following new paragraph:

5 “(5) For each of fiscal years 2008 through
6 2012, the grassland reserve program under sub-
7 chapter C of chapter 2”.

Add at the end of section 2104 insert the following:

8 (e) EXTENSION AND FUNDING.—Section 1241(a) of
9 the Food Security Act of 1985 (16 U.S.C. 3841(a)) is
10 amended by striking paragraph (5) and inserting the fol-
11 lowing new paragraph:

12 “(5) For each of fiscal years 2008 through
13 2012, the grassland reserve program under sub-
14 chapter C of chapter 2”.

15 (f) ENROLLMENT GOALS.—Section 1238N(b) of such
16 Act (16 U.S.C. 3838N(b)) is amended in paragraph (1),
17 by striking “2,000,000 acres” and inserting “5,000,000
18 acres”.

In the matter to be inserted by section 2301 strike subparagraphs (A) through (E) and insert the following:

- 1 (A) \$20,000,000.
- 2 (B) \$40,000,000.
- 3 (C) \$50,000,000.
- 4 (D) \$90,000,000.
- 5 (E) “\$100,000,000.

At the end of subtitle C of title I insert the following:

6 **SEC. 2303. COMMUNITY FORESTS AND OPEN SPACE CON-**
7 **SERVATION PROGRAM.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) The United States Forest Service projects
11 that 44 million acres of privately owned forested
12 land will be developed in the United States by 2030,
13 including many of the most important remaining
14 forested parcels within and adjacent to communities.

15 (2) There is an urgent need to assist local gov-
16 ernments in raising the funds necessary to purchase
17 the most important of these parcels of privately
18 owned forested land as they come up for sale.

19 (3) The breakup of forested land into smaller
20 parcels has resulted in an increasing number of own-

1 ers of privately owned forested land, but many of
2 these owners have little or no experience in forest
3 stewardship.

4 (4) In fast growing communities of all sizes
5 across the United States, the remaining parcels of
6 privately owned forested land play an essential role
7 in protecting public water supplies, which has lead
8 many local governments to purchase these lands for
9 municipal or county ownership.

10 (5) Rising rates of obesity and other public
11 health problems related to inactivity have been
12 shown to be ameliorated by improving public access
13 to safe and pleasing areas for outdoor recreation,
14 which has lead many local governments to purchase
15 lands for recreational purposes under municipal or
16 county ownership.

17 (6) Across the United States, many commu-
18 nities of diverse types and sizes are deriving signifi-
19 cant financial benefit from owning and managing
20 municipal or county forestlands as a source of local
21 revenue that also contributes significantly to the
22 health of the forest products economy at the local
23 and national levels.

24 (7) The access to privately owned forested land
25 for hunting, fishing, and trapping has declined, and

1 the number of persons participating in these activi-
2 ties has likewise declined, as these lands are divided
3 into smaller parcels and more owners of privately
4 owned forested land post their land against public
5 use, which has lead many local governments to pur-
6 chase forestlands to guarantee access for hunting,
7 fishing, and trapping.

8 (8) There is a national interest and an urgent
9 need to assist local governments in raising the funds
10 necessary to purchase important privately owned for-
11 ested land that will maintain the diverse public bene-
12 fits of forestlands close to or within all manner of
13 communities nationwide, from close-knit rural com-
14 munities to fast growing suburban and exurban
15 areas.

16 (b) ESTABLISHMENT OF PROGRAM.—The Coopera-
17 tive Forestry Assistance Act of 1978 (16 U.S.C. 2101 et
18 seq.) is amended by adding at the end the following new
19 section:

20 **“SEC. 21. FORESTS AND OPEN SPACE CONSERVATION PRO-**
21 **GRAM.**

22 “(a) ESTABLISHMENT AND PURPOSE.—The Sec-
23 retary of Agriculture shall establish within the Forest
24 Service a program to be known as the ‘Community Forests
25 and Open Space Conservation Program’ (in this section

1 referred to as the ‘Program’) for the purpose of assisting
2 local governments in a State selected to participate in the
3 Program to acquire forested land that—

4 “(1) is economically, culturally, and environ-
5 mentally important to the locality in which the land
6 is located;

7 “(2) is threatened by conversion to non-forest
8 uses; and

9 “(3) will conserve public access to and benefit
10 from the land for a wide variety of public purposes,
11 including model forest stewardship, sustainable tim-
12 ber production, forest-based educational and cultural
13 activities, wildlife habitat protection, watershed pro-
14 tection, or outdoor recreation, including hunting and
15 fishing.

16 “(b) SELECTION OF PARTICIPATING STATES.—

17 “(1) SELECTION.—Not later than one year
18 after the date of the enactment of this section, the
19 Secretary shall select at least one State in each of
20 the New England, Mid-Atlantic, Midwest, South,
21 West, and Pacific Northwest regions of the United
22 States to participate in the Program. The Secretary
23 shall make the selections from among applications
24 submitted by willing States. No State shall be com-
25 pelled to participate in the Program.

1 “(2) IMPLEMENTATION.—Authority for imple-
2 mentation of the Program in a participating State
3 shall lie with the State forester, equivalent State of-
4 ficial, or other appropriate State natural resource
5 management agency designated by the Governor of
6 the State.

7 “(c) ELIGIBILITY AND RANKING CRITERIA.—

8 “(1) STATE ASSESSMENT OF NEED.—Each par-
9 ticipating State shall prepare an assessment of need
10 that identifies the geographic areas within the State
11 that will be the focus of land acquisition activities
12 under the Program and priority objectives for con-
13 servation, based on conditions and public needs in
14 the State. This requirement may be satisfied by in-
15 clusion of the assessment as part of an integrated
16 State-wide forest planning process for application of
17 Federal programs in the State.

18 “(2) ESTABLISHMENT OF CRITERIA.—Not later
19 than one year after the date of the enactment of this
20 section, the Secretary shall establish eligibility and
21 ranking criteria for the selection of land acquisition
22 proposals to receive funding under the Program. The
23 Secretary shall establish the criteria in consultation
24 with State Forest Stewardship Advisory Committees,

1 State Urban and Community Forestry Advisory
2 Committees, and similar organizations.

3 “(3) PRIORITIES.—In establishing the eligibility
4 and ranking criteria under paragraph (2), the Sec-
5 retary shall give priority to the acquisition of lands
6 that—

7 “(A) meet identified local open space and
8 natural resource needs, as expressed in town
9 plans, regional plans, or other relevant local
10 planning documents;

11 “(B) can be effectively managed to model
12 good forest stewardship for private landowners
13 and support forest-based educational programs,
14 including vocational education in forestry;

15 “(C) provide significant protection of pub-
16 lic water supplies or other waterways;

17 “(D) can offer long-term economic benefit
18 to communities through forestry;

19 “(E) contain important wildlife habitat;

20 “(F) provide convenient public access for
21 outdoor recreation, including hunting and fish-
22 ing; and

23 “(G) are most threatened with conversion
24 to nonforest uses.

25 “(d) APPLICATION AND RANKING OF PROPOSALS.—

1 “(1) PREPARATION AND CONTENTS.—A local
2 government in a participating State may prepare an
3 application for assistance under the Program in the
4 acquisition of forested land within the geographic
5 program focus area in the State identified under
6 subsection (c)(1). The application shall include cer-
7 tification by the appropriate unit or units of local
8 government that the proposed land acquisition is
9 consistent with any comprehensive plans for develop-
10 ment adopted by the unit of local government and
11 include such other information as the Secretary may
12 prescribe.

13 “(2) SUBMISSION.—Participating States shall
14 rank all applications according to priority and sub-
15 mit the applications to the Secretary at such times
16 and in such form as the Secretary may prescribe.

17 “(3) NATIONAL LIST.—The Secretary shall
18 maintain a national list of all submitted applications,
19 ranked according to the criteria established pursuant
20 to subsection (c).

21 “(e) OWNERSHIP OF LAND.—

22 “(1) GOVERNMENT OWNERSHIP.—Except as
23 provided in paragraph (2), all land acquired in whole
24 or in part using funds provided under the Program

1 shall be owned in fee simple by a local government,
2 such as a municipality or county.

3 “(2) NONPROFIT ORGANIZATION OWNERSHIP.—

4 Upon the request of a participating State, des-
5 ignated nonprofit organizations operating within
6 that State may also own land acquired using funds
7 provided under the Program, subject to the condi-
8 tion that the land is open for public access con-
9 sistent with the purposes and criteria of the Pro-
10 gram.

11 “(3) EFFECT OF VIOLATION.—If the owner of
12 land acquired in whole or in part using funds pro-
13 vided under the Program sells the land, the owner
14 shall reimburse the Secretary for the full amount of
15 the funds provided under the Program, plus a pen-
16 alty equal to 50 percent of the sale price or ap-
17 praised value of the land at the time of the sale,
18 whichever is greater. The local government or des-
19 ignated nonprofit organization that sold the land
20 shall no longer be eligible for assistance under the
21 Program.

22 “(f) DUTIES OF OWNERS.—

23 “(1) USE AND PROHIBITION ON CONVERSION.—

24 The owner of land acquired in whole or in part using
25 funds provided under the Program shall manage the

1 land in a manner that is consistent with the pur-
2 poses for which the land was purchased under the
3 Program and shall not convert the property to other
4 nonforest uses. Public access for compatible rec-
5 reational uses, as determined by the owner, shall be
6 required.

7 “(2) MANAGEMENT PLAN.—Not later than two
8 years after the closing date on the purchase of land
9 using funds under the Program, the owner of the
10 land shall complete a management plan for the land,
11 which shall be subject to the approval of the respon-
12 sible State agency. Management plans shall be cre-
13 ated through a public process that allows for com-
14 munity participation and input.

15 “(g) COST SHARING REQUIREMENTS.—

16 “(1) COST SHARING.—In accordance with such
17 terms and conditions as the Secretary may prescribe,
18 costs for the acquisition of land under the Program,
19 and other costs associated with the Program, shall
20 be shared among participating entities, including
21 State, county, municipal, and other governmental
22 units, landowners, corporations, or private organiza-
23 tions. Such costs may include costs associated with
24 planning, administration, property acquisition, and

1 property management. The Secretary may authorize
2 in-kind contributions.

3 “(2) FEDERAL COST SHARE.—The Federal
4 share of the cost to acquire land under the Program
5 shall not exceed 50 percent of the total cost to ac-
6 quire the land. Payments under this section shall be
7 made in accordance with Federal appraisal and ac-
8 quisition standards and procedures.

9 “(3) ADMINISTRATION AND TECHNICAL ASSIST-
10 ANCE.—In order to assist local governments in
11 achieving model stewardship of land acquired under
12 the Program, 10 percent of all funds appropriated
13 for a fiscal year for the Program shall be allocated
14 to the responsible State agencies in participating
15 States to administer the Program and to provide
16 technical assistance to local governments for forest
17 stewardship, including development and implementa-
18 tion of management plans required by subsection
19 (f)(2).

20 “(h) PRIVATE PROPERTY PROTECTIONS.—

21 “(1) ACCESS.—Nothing in this section—

22 “(A) requires a private property owner to
23 permit public access (including Federal, State,
24 or local government access) to private property;
25 or

1 “(B) modifies any provision of Federal,
2 State, or local law with regard to public access
3 to, or use of, private land.

4 “(2) LIABILITY.—Nothing in this section cre-
5 ates any liability, or has any effect on liability under
6 any other law, of a private property owner with re-
7 spect to any persons injured on the private property.

8 “(3) RECOGNITION OF AUTHORITY TO CONTROL
9 LAND USE.—Nothing in this section modifies any
10 authority of Federal, State, or local governments to
11 regulate land use.

12 “(4) PARTICIPATION OF PRIVATE PROPERTY
13 OWNERS.—Nothing in this section requires a private
14 property owner to participate in the Program.

15 “(i) AUTHORIZATION OF APPROPRIATIONS.—Of the
16 funds available through the Commodity Credit Corpora-
17 tion, The Secretary shall use to carry out the Program
18 \$10,000,000 for each of the fiscal years 2008 through
19 2012.”.

In the matter to be inserted by section 2401(d)
strike subparagraphs (A) through (D) and insert the fol-
lowing:

20 “(A) \$1,675,000,000.

21 “(B) \$1,840,000,000.

22 “(C) \$1,840,000,000.

1 “(D) \$1,940,000,000”.

In the matter to be inserted by section 2401 strike “2011” and insert “2008” and before clause (i) insert the following (and redesignate subsequent clauses accordingly):

- 2 “(i) \$200,000,000 for fiscal year 2009;
3 “(ii) \$350,000,000 for fiscal year 2010;
4 “(iii) \$500,000,000 for fiscal year 2011;”.

[Section 2401(e) is amended by adding at the end the following:

In the matter to be inserted by section 8101 insert at the end the following: “For each of fiscal years 2008 through 2012, the Secretary shall use \$25 million of the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the healthy forests reserve program, including the provision of technical assistance under the program.”

[TRADE TITLE]

Strike section 3005 (relating to the McGovern-Dole International Food for Education and Child Nutrition Program) and insert the following:

1 **SEC. 3005. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
2 **EDUCATION AND CHILD NUTRITION PRO-**
3 **GRAM.**

4 (a) ADMINISTRATION OF PROGRAM.—Section 3107
5 of the Farm Security and Rural Investment Act of 2002
6 (7 U.S.C. 1736o–1) is amended—

7 (1) in subsection (d), in the matter preceding
8 paragraph (1), by striking “The President shall des-
9 ignate 1 or more Federal agencies to” and inserting
10 “The Secretary shall”;

11 (2) in subsection (f)(2), in the matter preceding
12 subparagraph (A), by striking “implementing agen-
13 cy” and inserting “Secretary”; and

14 (3) in subsections (c)(2)(B), (f)(1), (h)(1)
15 and(2), and (i), by striking “President” each place
16 it appears and inserting “Secretary”.

17 (b) FUNDING.—Subsection (1) of such section is
18 amended—

19 (1) by striking paragraphs (1) and (2) and in-
20 serting the following:

21 “(1) USE OF COMMODITY CREDIT CORPORATION
22 FUNDS.—Of the funds of the Commodity Credit
23 Corporation, the Secretary shall use to carry out this
24 section—

25 “(A) \$140,000,000 for fiscal year 2008;

26 “(B) \$180,000,000 for fiscal year 2009;

1 “(C) \$220,000,000 for fiscal year 2010;
2 “(D) \$260,000,000 for fiscal year 2011;
3 and
4 “(E) \$300,000,000 for fiscal year 2012.”;
5 (2) by redesignating paragraph (3) as para-
6 graph (2); and
7 (3) in paragraph (2) (as redesignated by para-
8 graph (2)), by striking “any Federal agency imple-
9 menting or assisting” and inserting “the Depart-
10 ment of Agriculture or any other Federal depart-
11 ment or agency assisting”.

[NUTRITION TITLE]

At appropriate places throughout title IV, insert the following (and make such technical and conforming changes as may be appropriate):

12 **SEC. ____.** **EXCLUDING COMBAT RELATED PAY FROM**
13 **COUNTABLE INCOME.**

14 Section (5)(d) of the Food Stamp Act of 1977 (7
15 U.S.C. 2014(d)) is amended—

16 (1) by striking “and (18)”, and inserting
17 “(18)”, and

18 (2) by inserting before the period at the end the
19 following: “and (19) any additional payment received
20 under Chapter 5 of title 37, United States Code, by

1 (or as an allotment to or transfer from) a member
2 of the United States Armed Forces deployed to a
3 designated combat zone for the duration of the
4 member's deployment to or service in a combat zone
5 if the additional pay was not received immediately
6 prior to serving in that or another combat zone.”.

7 **SEC. ____ . INCREASING THE STANDARD DEDUCTION.**

8 Section (5)(e)(1) of the Food Stamp Act of 1977 (7
9 U.S.C. 2014(e)(1)) is amended—

10 (1) in subparagraph (A)(ii) by striking “not
11 less than \$134” and all that follows through the pe-
12 riod at the end, and inserting the following: “not
13 less than \$156, \$267, \$220, and \$137, respectively.
14 On October 1, 2008, and each October 1 thereafter,
15 such standard deduction shall be an amount that is
16 equal to the amount from the previous fiscal year
17 adjusted to the nearest lower dollar increment to re-
18 flect changes in the Consumer Price Index for All
19 Urban Consumers published by the Bureau of Labor
20 Statistics, for items other than food, for the 12
21 months ending the preceding June 30.”; and

22 (2) in subparagraph (B)(ii) by striking “not
23 less than \$269.” and inserting the following: “not
24 less than \$313. On October 1, 2008, and each Octo-
25 ber 1 thereafter, such standard deduction shall be

1 an amount that is equal to the amount of the pre-
2 vious fiscal year adjusted to the nearest dollar incre-
3 ment to reflect changes in the Consumer Price Index
4 for All Urban Consumers published by the Bureau
5 of Labor Statistics, for items other than food, for
6 the 12 months ending the preceding June 30.”.

7 **SEC. ____ . EXCLUDING DEPENDENT CARE EXPENSES.**

8 Section (5)(e)(3)(A) of the Food Stamp Act of 1977
9 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the
10 maximum allowable level of which shall be \$200 per month
11 for each dependent child under 2 years of age and \$175
12 per month for each other dependent,”.

13 **SEC. ____ . ADJUSTING COUNTABLE RESOURCES FOR INFLA-**
14 **TION.**

15 Section (5)(g) of the Food Stamp Act of 1977 (7
16 U.S.C. 2014(g)) is amended—

17 (1) by striking “(g)(1) The Secretary” and in-
18 serting the following:

19 “(g) ALLOWABLE FINANCIAL RESOURCES.—

20 “(1) TOTAL AMOUNT.—

21 “(A) IN GENERAL.—The Secretary”.

22 (2) in subparagraph (A) (as so designated by
23 paragraph (1))—

1 (A) by inserting “(as adjusted in accord-
2 ance with subparagraph (B))” after “\$2,000”;
3 and

4 (B) by inserting “(as adjusted in accord-
5 ance with subparagraph (B))” after “\$3,000”;
6 and

7 (3) by adding at the end the following:

8 “(B) ADJUSTMENT FOR INFLATION.—

9 “(i) IN GENERAL.—Beginning on Oc-
10 tober 1, 2007, and each October 1 there-
11 after, the amounts in subparagraph (A)
12 shall be adjusted to the nearest \$100 in-
13 crement to reflect changes for the 12-
14 month period ending the preceding June in
15 the Consumer Price Index for All Urban
16 Consumers published by the Bureau of
17 Labor Statistics of the Department of
18 Labor.

19 “(ii) REQUIREMENT.—Each adjust-
20 ment under clause (i) shall be based on the
21 unrounded amount for the prior 12-month
22 period.”.

1 **SEC. ____.** **EXCLUDING EDUCATION ACCOUNTS FROM**
2 **COUNTABLE INCOME.**

3 Section (5)(g) of the Food Stamp Act of 1977 (7
4 U.S.C. 2014(g)) is amended by adding at the end the fol-
5 lowing:

6 “(7) **EXCLUSION OF EDUCATION ACCOUNTS**
7 **FROM COUNTABLE RESOURCES.—**

8 “(A) **MANDATORY EXCLUSIONS.—**The Sec-
9 retary shall exclude from financial resources
10 under this subsection the value of any funds in
11 a qualified tuition program described in section
12 529 of the Internal Revenue Code of 1986 or
13 in a Coverdell education savings account under
14 section 530 of that Code.

15 “(B) **DISCRETIONARY EXCLUSIONS.—**The
16 Secretary may also exclude from financial re-
17 sources under this subsection the value of any
18 program or account included in any successor
19 or similar provision that is enacted and deter-
20 mined to be exempt from taxation under the In-
21 ternal Revenue Code of 1986.”.

22 **SEC. ____.** **EXCLUDING RETIREMENT ACCOUNTS FROM**
23 **COUNTABLE INCOME.**

24 Section (5)(g) of the of the Food Stamp Act of 1977
25 (7 U.S.C. 2014(g)), as amended by the preceding section,
26 is amended—

1 (1) in subsection (g)(2)(B)(v) by striking “or
2 retirement account (including an individual ac-
3 count)” and inserting “account”; and

4 (2) adding at the end the following:

5 “(8) EXCLUSION OF RETIREMENT ACCOUNTS
6 FROM COUNTABLE RESOURCES.—

7 “(A) MANDATORY EXCLUSIONS.—The Sec-
8 retary shall exclude from financial resources
9 under this subsection the value of any funds in
10 a plan, contract, or account as described in sec-
11 tion 401(a), 403(a), 403(b), 408, 408A, 457(b),
12 or 501(c)(18) of the Internal Revenue Code of
13 1986 and the value of funds in a Federal Thrift
14 Savings Plan account as provided section 8439
15 of title 5, United States Code.

16 “(B) DISCRETIONARY EXCLUSIONS.—

17 “(i) The Secretary may exclude from
18 financial resources under this subsection
19 any other retirement plans, contracts, or
20 accounts that have been determined to be
21 tax qualified retirement plans, contracts,
22 or accounts, under the Internal Revenue
23 Code of 1986.

24 “(ii) The Secretary may also exclude
25 from financial resources under this sub-

1 section the value of any program or ac-
2 count included in any successor or similar
3 provision that is enacted and determined to
4 be exempt from taxation under the Inter-
5 nal Revenue Code of 1986.”.

6 **SEC. ____ . INCREASING THE MINIMUM BENEFIT.**

7 Section 8(a) of the Food Stamp Act of 1977 (7
8 U.S.C. 2017(a)) is amended by striking “\$10 per month”
9 and inserting “10 percent of the thrifty food plan for a
10 household containing 1 member, as determined by the Sec-
11 retary under section 3(o)”.

12 **SEC. ____ . EMERGENCY FOOD ASSISTANCE PROGRAM.**

13 Section 27(a) of the Food Stamp Act of 1977 (7
14 U.S.C. 2036(a)) is amended by—

15 (1) by striking “(a) PURCHASE OF COMMOD-
16 ITIES” and all that follows through 2007’ and in-
17 serting the following:

18 “(a) PURCHASE OF COMMODITIES.—

19 “(1) IN GENERAL.—As provided in paragraph
20 (2), for each of the fiscal years 2008 through 2012”;

21 (2) by striking “\$140,000,000 of”; and

22 (3) by adding at the end the following:

23 “(2) AMOUNTS.—The following amounts are
24 made available to carry out this subsection:

1 “(A) for fiscal year 2008, \$250,000,000;
2 and
3 “(B) for each of the fiscal years 2009
4 through 2012, the dollar amount of commod-
5 ities specified in subparagraph (A) adjusted by
6 the percentage by which the thrifty food plan
7 has been adjusted under section 3(o)(4) be-
8 tween June 30, 2007 and June 30 of the imme-
9 diately preceding fiscal year.”.

10 **SEC. ____ . FRUIT AND VEGETABLE NUTRITION PROMOTION**
11 **PROGRAM.**

12 (a) **IN GENERAL.**—The Secretary of Agriculture, act-
13 ing through the Administrator of the Agricultural Mar-
14 keting Service, shall establish and carry out a program
15 to provide assistance to eligible trade organizations de-
16 scribed in paragraph (3) to increase the consumption of
17 fruits and vegetables in the United States to meet Federal
18 health guidelines.

19 (b) **REQUIREMENTS FOR PARTICIPATION.**—To be eli-
20 gible for assistance under this section, an eligible trade
21 organization shall—

22 (1) prepare and submit a plan to increase the
23 consumption of fruits and vegetables in the United
24 States to the Administrator of the Agricultural Mar-

1 keting Service that meets any guidelines governing
2 such plans established by the Administrator; and
3 (2) meet any other requirements established by
4 the Administrator.

5 (c) ELIGIBLE TRADE ORGANIZATIONS.—An eligible
6 trade organization referred to in paragraph (1) means any
7 of the following:

8 (1) A nonprofit fruit and vegetable trade orga-
9 nizations in the United States.

10 (2) A nonprofit State or regional fruit and veg-
11 etable organization.

12 (3) A fruit and vegetable agricultural coopera-
13 tive in the United States.

14 (4) A commodity board or commission in the
15 United States.

16 (5) A small business engaged in the fruit and
17 vegetable industry in the United States.

18 (d) MATCHING FUNDS.—Assistance provided under
19 this section shall not exceed—

20 (1) in the case of an organization described in
21 paragraphs (1) through (5) of subsection (c), 90
22 percent of the cost of the plan to increase the con-
23 sumption of fruits and vegetables in the United
24 States submitted under paragraph (b)(1); and

1 (2) in the case of an organization described in
2 paragraph (c)(5), 50 percent of the cost of the plan
3 to increase the consumption of fruits and vegetables
4 in the United States submitted under paragraph
5 (b)(1).

6 (e) FUNDING.—Of the funds of the Commodity Cred-
7 it Corporation, the Administrator of the Agricultural Mar-
8 keting Service shall use \$15,000,000 in each of fiscal
9 years 2008 through 2012 to carry out this section.

 In section 4020(a), strike paragraph (4) and insert
the following:

10 (4) by inserting after subsection (f) the fol-
11 lowing:

12 “(g) FUNDING.—For each of the fiscal years 2008
13 through 2012, the Secretary shall use \$30 million of the
14 funds, facilities and authorities of the Commodity Credit
15 Corporation to carry out this section.”.

 In section 4303(4)(A), strike clause (ii) and insert
the following:

16 (ii) by striking “\$9,000,000” and in-
17 serting “\$100,000,000”.

 At the end of subtitle C of title IV, insert the fol-
lowing(and make such technical and conforming changes
as may be appropriate):

1 **SEC. ____ . HUNGER-FREE COMMUNITIES.**

2 (a) **DEFINITIONS.**—In this section:

3 (1) **DOMESTIC HUNGER GOAL.**—The term “do-
4 mestic hunger goal” means—

5 (A) the goal of reducing hunger in the
6 United States to at or below 2 percent by 2010;
7 or

8 (B) the goal of reducing food insecurity in
9 the United States to at or below 6 percent by
10 2010.

11 (2) **EMERGENCY FEEDING ORGANIZATION.**—
12 The term “emergency feeding organization” has the
13 meaning given the term in section 201A of the
14 Emergency Food Assistance Act of 1983 (7 U.S.C.
15 7501).

16 (3) **FOOD SECURITY.**—The term “food secu-
17 rity” means the state in which an individual has ac-
18 cess to enough food for an active, healthy life.

19 (4) **HUNGER-FREE COMMUNITIES GOAL.**—The
20 term “hunger-free communities goal” means any of
21 the 14 goals described in the H. Con. Res. 302
22 (102nd Congress).

23 (b) **HUNGER REPORTS.**—

24 (1) **STUDY.**—

25 (A) **TIMELINE.**—

1 (i) IN GENERAL.—Not later than 1
2 year after the date of enactment of this
3 Act, the Secretary shall conduct a study of
4 major matters relating to the problem of
5 hunger in the United States, as determined
6 by the Secretary.

7 (ii) UPDATE.—Not later than 5 years
8 after the date on which the study under
9 clause (i) is conducted, the Secretary shall
10 update the study.

11 (B) MATTERS TO BE ASSESSED.—The
12 matters to be assessed by the Secretary in the
13 study and update under this paragraph shall in-
14 clude—

15 (i) data on hunger and food insecurity
16 in the United States;

17 (ii) measures carried out during the
18 previous year by Federal, State, and local
19 governments to achieve domestic hunger
20 goals and hunger-free communities goals;

21 (iii) measures that could be carried
22 out by Federal, State, and local govern-
23 ments to achieve domestic hunger goals
24 and hunger-free communities goals; and

1 (iv) the impact of hunger and house-
2 hold food insecurity on obesity, in the con-
3 text of poverty and food assistance pro-
4 grams.

5 (2) RECOMMENDATIONS.—The Secretary shall
6 develop recommendations on—

7 (A) removing obstacles to achieving domes-
8 tic hunger goals and hunger-free communities
9 goals; and

10 (B) otherwise reducing domestic hunger.

11 (3) REPORT.—The Secretary shall submit to
12 the President and Congress—

13 (A) not later than 1 year after the date of
14 enactment of this Act, a report that contains—

15 (i) a detailed statement of the results
16 of the study, or the most recent update to
17 the study, conducted under paragraph
18 (1)(A); and

19 (ii) the most recent recommendations
20 of the Secretary under paragraph (2); and

21 (B) not later than 5 years after the date
22 of submission of the report under subparagraph
23 (A), an update of the report.

24 (c) HUNGER-FREE COMMUNITIES COLLABORATIVE
25 GRANTS.—

1 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
2 subsection, the term “eligible entity” means a public
3 food program service provider or a nonprofit organi-
4 zation, including but not limited to an emergency
5 feeding organization, that demonstrates the organi-
6 zation has collaborated, or will collaborate, with 1 or
7 more local partner organizations to achieve at least
8 1 hunger-free communities goal.

9 (2) PROGRAM AUTHORIZED.—

10 (A) IN GENERAL.—The Secretary shall use
11 not more than 55 percent of any funds made
12 available under subsection (f) to make grants to
13 eligible entities to pay the Federal share of the
14 costs of an activity described in paragraph (4).

15 (B) FEDERAL SHARE.—The Federal share
16 of the cost of carrying out an activity under
17 this subsection shall not exceed 80 percent.

18 (C) NON-FEDERAL SHARE.—

19 (i) CALCULATION.—The non-Federal
20 share of the cost of an activity under this
21 subsection may be provided in cash or in
22 kind, fairly evaluated, including facilities,
23 equipment, or services.

24 (ii) SOURCES.—Any entity may pro-
25 vide the non-Federal share of the cost of

1 an activity under this subsection through a
2 State government, a local government, or a
3 private source.

4 (3) APPLICATION.—

5 (A) IN GENERAL.—To receive a grant
6 under this subsection, an eligible entity shall
7 submit an application to the Secretary at the
8 time and in the manner and accompanied by
9 any information the Secretary may require.

10 (B) CONTENTS.—Each application sub-
11 mitted under subparagraph (A) shall—

12 (i) identify any activity described in
13 paragraph (4) that the grant will be used
14 to fund;

15 (ii) describe the means by which an
16 activity identified under clause (i) will re-
17 duce hunger in the community of the eligi-
18 ble entity;

19 (iii) list any partner organizations of
20 the eligible entity that will participate in
21 an activity funded by the grant;

22 (iv) describe any agreement between a
23 partner organization and the eligible entity
24 necessary to carry out an activity funded
25 by the grant; and

1 (v) if an assessment described in
2 paragraph (4)(A) has been performed, in-
3 clude—

4 (I) a summary of that assess-
5 ment; and

6 (II) information regarding the
7 means by which the grant will help re-
8 duce hunger in the community of the
9 eligible entity.

10 (C) PRIORITY.—In making grants under
11 this subsection, the Secretary shall give priority
12 to eligible entities that—

13 (i) demonstrate in the application of
14 the eligible entity that the eligible entity
15 makes collaborative efforts to reduce hun-
16 ger in the community of the eligible entity;
17 and

18 (ii)(I) serve a predominantly rural and
19 geographically underserved area;

20 (II) serve communities in which the
21 rates of food insecurity, hunger, poverty,
22 or unemployment are demonstrably higher
23 than national average rates;

24 (III) provide evidence of long-term ef-
25 forts to reduce hunger in the community;

1 (IV) provide evidence of public sup-
2 port for the efforts of the eligible entity; or
3 (V) demonstrate in the application of
4 the eligible entity a commitment to achiev-
5 ing more than 1 hunger-free communities
6 goal.

7 (4) USE OF FUNDS.—

8 (A) ASSESSMENT OF HUNGER IN THE
9 COMMUNITY.—

10 (i) IN GENERAL.—An eligible entity in
11 a community that has not performed an
12 assessment described in clause (ii) may use
13 a grant received under this subsection to
14 perform the assessment for the community.

15 (ii) ASSESSMENT.—The assessment
16 referred to in clause (ii) shall include—

17 (I) an analysis of the problem of
18 hunger in the community served by
19 the eligible entity;

20 (II) an evaluation of any facility
21 and any equipment used to achieve a
22 hunger-free communities goal in the
23 community;

24 (III) an analysis of the effective-
25 ness and extent of service of existing

1 nutrition programs and emergency
2 feeding organizations; and

3 (IV) a plan to achieve any other
4 hunger-free communities goal in the
5 community.

6 (B) ACTIVITIES.—An eligible entity in a
7 community that has submitted an assessment to
8 the Secretary shall use a grant received under
9 this subsection for any fiscal year for activities
10 of the eligible entity, including—

11 (i) meeting the immediate needs of
12 people in the community served by the eli-
13 gible entity who experience hunger by—

14 (I) distributing food;

15 (II) providing community out-
16 reach; or

17 (III) improving access to food as
18 part of a comprehensive service;

19 (ii) developing new resources and
20 strategies to help reduce hunger in the
21 community;

22 (iii) establishing a program to achieve
23 a hunger-free communities goal in the
24 community, including—

1 (I) a program to prevent, mon-
2 itor, and treat children in the commu-
3 nity experiencing hunger or poor nu-
4 trition; or

5 (II) a program to provide infor-
6 mation to people in the community on
7 hunger, domestic hunger goals, and
8 hunger-free communities goals; and

9 (iv) establishing a program to provide
10 food and nutrition services as part of a co-
11 ordinated community-based comprehensive
12 service.

13 (d) HUNGER-FREE COMMUNITIES INFRASTRUCTURE
14 GRANTS.—

15 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
16 subsection, the term “eligible entity” means an
17 emergency feeding organization (as defined in sec-
18 tion 201A(4) of the Emergency Food Assistance Act
19 of 1983 (7 U.S.C. 7501(4))).

20 (2) PROGRAM AUTHORIZED.—

21 (A) IN GENERAL.—The Secretary shall use
22 not more than 45 percent of any funds made
23 available under subsection (f) to make grants to
24 eligible entities to pay the Federal share of the
25 costs of an activity described in paragraph (4).

1 (B) FEDERAL SHARE.—The Federal share
2 of the cost of carrying out an activity under
3 this subsection shall not exceed 80 percent.

4 (3) APPLICATION.—

5 (A) IN GENERAL.—To receive a grant
6 under this subsection, an eligible entity shall
7 submit an application to the Secretary at the
8 time and in the manner and accompanied by
9 any information the Secretary may require.

10 (B) CONTENTS.—Each application sub-
11 mitted under subparagraph (A) shall—

12 (i) identify any activity described in
13 paragraph (4) that the grant will be used
14 to fund; and

15 (ii) describe the means by which an
16 activity identified under clause (i) will re-
17 duce hunger in the community of the eligi-
18 ble entity.

19 (C) PRIORITY.—In making grants under
20 this subsection, the Secretary shall give priority
21 to eligible entities the applications of which
22 demonstrate 2 or more of the following:

23 (i) The eligible entity serves a pre-
24 dominantly rural and geographically under-
25 served area.

1 (ii) The eligible entity serves a com-
2 munity in which the rates of food insecu-
3 rity, hunger, poverty, or unemployment are
4 demonstrably higher than national average
5 rates.

6 (iii) The eligible entity serves a com-
7 munity that has carried out long-term ef-
8 forts to reduce hunger in the community.

9 (iv) The eligible entity serves a com-
10 munity that provides public support for the
11 efforts of the eligible entity.

12 (v) The eligible entity is committed to
13 achieving more than 1 hunger-free commu-
14 nities goal.

15 (4) USE OF FUNDS.—An eligible entity shall
16 use a grant received under this subsection for any
17 fiscal year to carry out activities of the eligible enti-
18 ty, including—

19 (A) constructing, expanding, or repairing a
20 facility or equipment to support hunger relief
21 agencies in the community;

22 (B) assisting an emergency feeding organi-
23 zation in the community in obtaining locally-
24 produced produce and protein products; and

1 (C) assisting an emergency feeding organi-
2 zation in the community to process and serve
3 wild game.

4 (e) REPORT.—Not later than September 30, 2013,
5 the Secretary shall submit to Congress a report describ-
6 ing—

7 (1) each grant made under this section, includ-
8 ing—

9 (A) a description of any activity funded by
10 such a grant; and

11 (B) the degree of success of each activity
12 funded by such a grant in achieving hunger-free
13 communities goals; and

14 (2) the degree of success of all activities funded
15 by grants under this section in achieving domestic
16 hunger goals.

17 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section
19 \$50,000,000 for each of fiscal years 2008 through 2013.

In subsection (a)(1) of the amendment made by sec-
tion 4401(a) of the bill, strike “\$15,000,000” and insert
“\$45,000,000” .

In subsection (a) of the amendment made by section
4401(a) of the bill, strike paragraph (2) and insert the
following:

1 (2) There is authorized to be appropriated
2 \$100,000,000 for each of fiscal years 2008 through
3 2012 to carry out and expand the senior farmers'
4 market nutrition programs.

At the end of subtitle D of title IV, insert the following (and make such technical and conforming changes as may be appropriate):

5 **SEC. ____.** **GRANTS FOR LOCAL FARMERS AND COMMUNITY**
6 **FARMING.**

7 (a) GRANTS TO ASSIST MUNICIPALITIES TO HELP
8 LOCAL FARMERS TO GROW FOOD TO BE SOLD LO-
9 CALLY.—

10 (1) IN GENERAL.—The Secretary of Agriculture
11 may make a grant in accordance with this sub-
12 section to a municipality to enable the municipality
13 to facilitate the ability of local farmers to grow food
14 crops to be sold to the local community.

15 (2) MAXIMUM AMOUNT OF GRANT.—The
16 amount of a grant under this subsection shall not
17 exceed \$100,000.

18 (3) USE OF GRANTS.—

19 (A) IN GENERAL.—A municipality to which
20 a grant is made under this subsection shall use
21 the grant, subject to subparagraph (B), to es-

1 tablish a community supported agriculture
2 project, by—

3 (i) leasing municipal land to a partici-
4 pating farmer at a below-market rate; or

5 (ii) providing a loan guarantee for a
6 loan made for the purchase or lease of
7 equipment or facilities to be used by a par-
8 ticipating farmer.

9 (B) REQUIREMENTS RELATING TO MIN-
10 IMUM OUTPUT, LOCAL SALE, AND UNDER-
11 SERVED COMMUNITIES.—

12 (i) IN GENERAL.—A lease entered into
13 or a loan guarantee provided pursuant to
14 this subsection shall provide that the mu-
15 nicipality may terminate the lease or re-
16 scind the loan guarantee, as the case may
17 be, if, during each year for which the lease
18 or loan guarantee is in effect—

19 (I) the total value of the crops
20 produced from the land involved is
21 less than \$5,000;

22 (II) at least 30 percent of the
23 crops are not made available for sale
24 in an under-served community; or

1 (III) at least 70 percent of the
2 crops are not made available for sale
3 locally or regionally.

4 (ii) LOCAL OR REGIONAL SALE.—An
5 agricultural product shall be considered to
6 be made available for sale locally or region-
7 ally for purposes of this subsection if the
8 product is distributed within the locality or
9 region where produced, in a manner
10 which—

11 (I) ensures that information re-
12 garding the product origin, production
13 practices, or other similar information
14 which is a source of value to the end-
15 use consumer is typically conveyed;

16 (II) facilitates the likelihood that
17 the income of the community sup-
18 ported agriculture operation is in-
19 creased through maximization of the
20 share of the retail food price retained
21 by the producer;

22 (III) ensures that consumers are
23 provided with an affordable product
24 produced, processed, and distributed
25 in the locality or region where the

1 end-use consumers acquire the prod-
2 uct; and

3 (IV) ensures that the product has
4 traveled less than half of the current
5 average distance of all food produced
6 and consumed in the United States,
7 as determined by the Secretary.

8 (C) PUBLIC BIDDING REQUIRED.—The
9 municipality shall solicit bids from the general
10 public for the leases and loan guarantees to be
11 provided by the municipality pursuant to this
12 subsection.

13 (4) LIMITATIONS ON AUTHORIZATION OF AP-
14 PROPRIATIONS.—For grants under this subsection,
15 there are authorized to be appropriated to the Sec-
16 retary not more than \$40,000,000 for each of fiscal
17 years 2008 through 2013.

18 (b) GRANTS TO ENABLE LOCAL NONGOVERNMENTAL
19 FARMING ASSOCIATIONS SUPPORT THE FORMATION OF
20 COMMUNITY-SUPPORTED AGRICULTURAL PROJECTS.—

21 (1) IN GENERAL.—The Secretary of Agriculture
22 may make a grant to enable a local nongovernmental
23 farming association that promotes community-based
24 farming to provide technical, advisory, and other as-

1 sistance to support the formation of a municipally-
2 based community-supported agricultural project.

3 (2) MAXIMUM AMOUNT OF GRANT.—The
4 amount of a grant under this subsection shall not
5 exceed \$25,000.

6 (3) USE OF GRANTS.—An association to which
7 a grant is made under this subsection shall use the
8 grant to—

9 (A) provide public information about the
10 assistance available pursuant to this section;

11 (B) provide technical and advisory assist-
12 ance to participating farmers who enter into a
13 lease or receive a loan guarantee from a munici-
14 pality pursuant to section 1; or

15 (C) conduct training sessions on subjects
16 relevant to starting, operating, maintaining, or
17 marketing crops produced by participating
18 farmers.

19 (4) LIMITATIONS ON AUTHORIZATION OF AP-
20 PROPRIATIONS.—For grants under this subsection,
21 there are authorized to be appropriated to the Sec-
22 retary not more than \$10,000,000 for each of fiscal
23 years 2008 through 2013.

24 (c) GRANTS TO PROVIDE START-UP FUNDS TO
25 FARMERS WHO MUST DIVERSIFY THEIR OPERATIONS IN

1 ORDER TO PARTICIPATE IN COMMUNITY-SUPPORTED AG-
2 RICULTURAL PROJECTS.—

3 (1) IN GENERAL.—The Secretary of Agriculture
4 may make a one-time grant to provide start-up
5 funding to an agricultural producer who must diver-
6 sify the agricultural operations of the producer in
7 order to participate in a community-supported agri-
8 cultural project.

9 (2) MAXIMUM AMOUNT OF GRANT.—The
10 amount of a grant under this subsection shall not
11 exceed \$2,500.

12 (3) USE OF GRANTS.—An agricultural producer
13 to whom a grant is made under this subsection shall
14 use the grant to begin a new agricultural operation.

15 (4) LIMITATIONS ON AUTHORIZATION OF AP-
16 PROPRIATIONS.—For grants under this subsection,
17 there are authorized to be appropriated to the Sec-
18 retary not more than \$1,000,000 for each of fiscal
19 years 2008 through 2013.

20 (d) MARKETING ASSISTANCE FOR COMMUNITY SUP-
21 PORTED AGRICULTURE PROJECTS.—The Secretary of Ag-
22 riculture shall provide marketing assistance to a partici-
23 pating farmer who has received a lease or loan guarantee
24 under section 1 that has not been terminated, to assist

1 the farmer in marketing to community institutions, includ-
2 ing schools, child care centers, and senior centers.

3 (e) DEFINITIONS.—In this section:

4 (1) COMMUNITY-SUPPORTED AGRICULTURAL
5 PROJECT.—The term “community-supported agricul-
6 tural project” means a contract under which a group
7 of consumers, a nonprofit organization, or a public
8 agency which represents consumers is obligated to
9 purchase a specified amount of 1 or more agricul-
10 tural products directly from 1 or more agricultural
11 producers during a specific period.

12 (2) MUNICIPALITY.—The term “municipality”
13 includes any city, town, borough, county, parish, dis-
14 trict, transportation district, assessment jurisdiction,
15 or other public body, or any other political subdivi-
16 sion within the territorial limits of the United
17 States, created by or pursuant to State law or the
18 law of an Indian tribe or tribal organization, with
19 the authority to impose a tax, charge, or fee.

20 (3) NONGOVERNMENTAL FARMING ASSOCIA-
21 TION.—The term “nongovernmental farming asso-
22 ciation” means any of the following entities that has
23 legal standing:

24 (A) A group of agricultural producers that
25 operates as a marketing alliance.

1 (B) A cooperative association, each of
2 whose owners and members is an agricultural
3 producer.

4 (C) A group of 2 or more agricultural pro-
5 ducers or farm vendors who sell an agricultural
6 product through a common distribution chan-
7 nel.

8 (D) A nonprofit organization with exper-
9 tise in farming.

10 (E) A network or association of agricul-
11 tural producers.

12 (4) PARTICIPATING FARMER.—The term “par-
13 ticipating farmer” means an agricultural producer
14 who has made a binding commitment to participate
15 in a community-supported agricultural project.

16 (5) STATE.—The term “State” includes the
17 several States, the District of Columbia, the Com-
18 monwealth of Puerto Rico, the Commonwealth of the
19 Northern Mariana Islands, the United States Virgin
20 Islands, Guam, and American Samoa.

21 (6) UNDER-SERVED COMMUNITY.—The term
22 “under-served community” means an urban, rural,
23 or tribal community which has—

24 (A) limited access to affordable, healthy
25 foods, including fresh fruits and vegetables, in

1 retail grocery stores or farmer-to-consumer di-
2 rect markets;

3 (B) a high incidence of diet-related dis-
4 eases, including obesity;

5 (C) a high rate of hunger or food insecu-
6 rity; or

7 (D) severe or persistent poverty.

8 (f) REGULATIONS.—The Secretary of Agriculture
9 shall prescribe such regulations as may be necessary to
10 carry out this section.

[RURAL DEVELOPMENT TITLE]

Strike section 6013 and insert the following:

11 **SEC. 6013. RURAL ENTREPRENEUR AND MICROENTER-**
12 **PRISE ASSISTANCE PROGRAM.**

13 Subtitle D of the Consolidated Farm and Rural De-
14 velopment Act is amended by inserting after section 364
15 (7 U.S.C. 2006f) the following:

16 **“SEC. 365. RURAL ENTREPRENEUR AND MICROENTER-**
17 **PRISE ASSISTANCE PROGRAM.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) ECONOMICALLY DISADVANTAGED MICRO-
20 ENTREPRENEUR.—The term ‘economically disadvan-
21 tagged microentrepreneur’ means an owner, majority
22 owner, or developer of a microenterprise that has the

1 ability to compete in the private sector but has been
2 impaired because of diminished capital and credit
3 opportunities, as compared to other microentre-
4 preneurs in the industry involved.

5 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
6 has the meaning given the term in section 4 of the
7 Indian Self-Determination and Education Assistance
8 Act (25 U.S.C. 450b).

9 “(3) INTERMEDIARY.—The term ‘intermediary’
10 means a nonprofit entity that has a demonstrated
11 capacity to provide assistance—

12 “(A) to a microenterprise development or-
13 ganization; or

14 “(B) for a microenterprise development
15 program.

16 “(4) LOW-INCOME INDIVIDUAL.—The term
17 ‘low-income individual’ means an individual with an
18 income (adjusted for family size) of not more than
19 the greatest of—

20 “(A) 80 percent of median income of the
21 non-metropolitan statistical area in which the
22 individual resides;

23 “(B) 80 percent of the statewide non-met-
24 ropolitan area median income; or

1 “(C) 80 percent of the national median in-
2 come.

3 “(5) MICROCREDIT.—The term ‘microcredit’
4 means a business loan or loan guarantee of not more
5 than \$50,000 that is provided to a rural entre-
6 preneur.

7 “(6) MICROENTERPRISE.—The term ‘micro-
8 enterprise’ means—

9 “(A) a self-employed individual; or

10 “(B) a business entity with not more than
11 10 full-time-equivalent employees.

12 “(7) MICROENTERPRISE DEVELOPMENT ORGA-
13 NIZATION.—The term ‘microenterprise development
14 organization’ means a private, nonprofit entity
15 that—

16 “(A) provides training and technical assist-
17 ance to rural entrepreneurs;

18 “(B) facilitates access to capital or another
19 service described in subsection (b) for rural en-
20 trepreneurs; and

21 “(C) has a demonstrated record of deliv-
22 ering services to economically disadvantaged
23 microentrepreneurs, or an effective plan to de-
24 velop a program to deliver microenterprise serv-

1 ices to rural entrepreneurs effectively, as deter-
2 mined by the Secretary.

3 “(8) MICROENTERPRISE DEVELOPMENT PRO-
4 GRAM.—The term ‘microenterprise development pro-
5 gram’ means a program administered by an organi-
6 zation serving a rural area.

7 “(9) MICROENTREPRENEUR.—The term ‘micro-
8 entrepreneur’ means the owner, operator, or devel-
9 oper of a microenterprise.

10 “(10) PROGRAM.—The term ‘Program’ means
11 the rural entrepreneur and microenterprise program
12 established under subsection (b)(1).

13 “(11) QUALIFIED ORGANIZATION.—The term
14 ‘qualified organization’ means—

15 “(A) a microenterprise development orga-
16 nization or microenterprise development pro-
17 gram that—

18 “(i) has a demonstrated record of de-
19 livering microenterprise services to rural
20 entrepreneurs;

21 “(ii) has an effective plan to develop
22 a program to deliver microenterprise serv-
23 ices to rural entrepreneurs effectively, as
24 determined by the Secretary; or

1 “(B) an Indian tribe, the tribal govern-
2 ment of which certifies to the Secretary that no
3 microenterprise development organization or
4 microenterprise development program exists
5 under the jurisdiction of the Indian tribe;

6 “(C) a group of 2 or more organizations or
7 Indian tribes described in subparagraph (A) or
8 (B) that agree to act jointly as a qualified orga-
9 nization under this section; or

10 “(D) for purposes of subsection (b), a pub-
11 lic college or university.

12 “(12) RURAL CAPACITY-BUILDING SERVICE.—
13 The term ‘rural capacity-building service’ means a
14 service provided to an organization that—

15 “(A) is, or is in the process of becoming,
16 a microenterprise development organization or
17 microenterprise development program; and

18 “(B) serves rural areas for the purpose of
19 enhancing the ability of the organization to pro-
20 vide training, technical assistance, and other re-
21 lated services to rural entrepreneurs.

22 “(13) RURAL ENTREPRENEUR.—The term
23 ‘rural entrepreneur’ means a microentrepreneur, or
24 prospective microentrepreneur—

1 “(A) the principal place of business of
2 which is in a rural area; and

3 “(B) that is unable to obtain sufficient
4 training, technical assistance, or microcredit
5 elsewhere, as determined by the Secretary.

6 “(14) SECRETARY.—The term ‘Secretary’
7 means the Secretary of Agriculture, acting through
8 the Rural Business and Cooperative Development
9 Service.

10 “(15) TRIBAL GOVERNMENT.—The term ‘tribal
11 government’ means the governing body of an Indian
12 tribe.

13 “(b) RURAL ENTREPRENEURSHIP AND MICRO-
14 ENTERPRISE PROGRAM.—

15 “(1) ESTABLISHMENT.—The Secretary shall es-
16 tablish a rural entrepreneurship and microenterprise
17 program.

18 “(2) PURPOSE.—The purpose of the Program
19 shall be to provide low-income individuals and mod-
20 erate-income individuals with—

21 “(A) the skills necessary to establish new
22 microenterprises in rural areas; and

23 “(B) continuing technical and financial as-
24 sistance as individuals and business starting or
25 operating microenterprises.

1 “(3) GRANTS.—

2 “(A) IN GENERAL.—The Secretary may
3 make a grant under the Program to a qualified
4 organization or intermediary—

5 “(i) to provide training, operational
6 support, or a rural capacity-building serv-
7 ice to another qualified organization to as-
8 sist the other organization in developing
9 microenterprise training, technical assist-
10 ance, market development assistance, and
11 other related services, for microenterprise,
12 with an emphasis on those that—

13 “(I) have 5 or fewer full-time
14 equivalent employees;

15 “(II) serve low income individ-
16 uals; or

17 “(III) serve areas that have lost
18 population;

19 “(ii) to assist in researching and de-
20 veloping the best practices in delivering
21 training, technical assistance, and micro-
22 credit to rural entrepreneurs; and

23 “(iii) to carry out such other projects
24 and activities as the Secretary determines

1 to be consistent with the purposes of this
2 section.

3 “(B) SUBGRANTS.—Subject to such regu-
4 lations as the Secretary may promulgate, a
5 qualified organization that receives a grant
6 under this paragraph may use the grant to pro-
7 vide assistance to other qualified organizations,
8 such as small or emerging qualified organiza-
9 tions.

10 “(C) DIVERSITY.—In making grants under
11 this paragraph, the Secretary shall ensure, to
12 the maximum extent practicable, that grant re-
13 cipients include qualified organizations—

14 “(i) of varying sizes; and

15 “(ii) that serve racially and ethnically
16 diverse populations.

17 “(D) MATCHING REQUIREMENT.—

18 “(i) IN GENERAL.—As a condition of
19 any grant made under this paragraph, the
20 Secretary shall require the grantee to ex-
21 pend for the project involved, from non-
22 Federal sources, not less than 25 percent
23 of the total amount of the grant.

1 “(ii) FORM OF CONTRIBUTION.—The
2 non-Federal share of the cost of a project
3 described in clause (i) may be provided—

4 “(I) in cash (including through
5 fees, grants (including community de-
6 velopment block grants), and gifts); or

7 “(II) in-kind.

8 “(4) RURAL MICROLOAN PROGRAM.—

9 “(A) ESTABLISHMENT.—In carrying out
10 the Program, the Secretary may carry out a
11 rural microloan program.

12 “(B) PURPOSE.—The purpose of the rural
13 microloan program shall be to provide technical
14 and financial assistance to microenterprises in
15 rural areas and rural entrepreneurs, with an
16 emphasis on those that—

17 “(i) have 5 or fewer full-time equiva-
18 lent employees;

19 “(ii) serve low income individuals; or

20 “(iii) serve areas that have lost popu-
21 lation.

22 “(C) AUTHORITY OF SECRETARY.—In car-
23 rying out the rural microloan program, the Sec-
24 retary may—

1 “(i) make loans to qualified organiza-
2 tions for the purpose of making short-
3 term, fixed interest rate microloans to
4 startup, newly established, and growing
5 microenterprises in rural areas; and

6 “(ii) in conjunction with the loans,
7 provide grants in accordance with subpara-
8 graph (E) to the qualified organizations
9 for the purpose of providing intensive mar-
10 keting, management, and technical assist-
11 ance to microenterprises in rural areas
12 that are borrowers under this subsection.

13 “(D) LOAN DURATION; INTEREST RATES;
14 CONDITIONS.—

15 “(i) LOAN DURATION.—A loan made
16 by the Secretary under this paragraph
17 shall be for a term not to exceed 20 years.

18 “(ii) APPLICABLE INTEREST RATES.—
19 A loan made by the Secretary under this
20 paragraph shall bear an annual interest
21 rate of at least 1 percent.

22 “(E) GRANT AMOUNTS.—

23 “(i) IN GENERAL.—Except as other-
24 wise provided in this section, each qualified
25 organization that receives a loan under this

1 paragraph shall be eligible to receive a
2 grant to provide marketing, management,
3 and technical assistance to microenter-
4 prises in rural areas that are borrowers or
5 potential borrowers under this subsection.

6 “(ii) MAXIMUM AMOUNT OF GRANT
7 FOR MICROENTERPRISE DEVELOPMENT
8 ORGANIZATIONS.—The amount of the
9 grant referred to in clause (i) shall be not
10 more than 25 percent of the total out-
11 standing balance of loans made by the
12 microenterprise development organization
13 under this paragraph as of the date of pro-
14 vision of the grant, except that for the first
15 loan made to a microenterprise develop-
16 ment organization, the Secretary may
17 make a grant not to exceed 25 percent of
18 the outstanding balance of the loan.

19 “(iii) MATCHING REQUIREMENT.—

20 “(I) IN GENERAL.—As a condi-
21 tion of any grant made to a qualified
22 organization under this subparagraph,
23 the Secretary shall require the organi-
24 zation to expend for the grant project
25 involved, from non-Federal sources,

1 not less than 15 percent of the total
2 amount of the grant.

3 “(II) FORM OF NON-FEDERAL
4 SHARE.—The non-Federal share of
5 the cost of a project described in sub-
6 clause (I) may be provided—

7 “(aa) in cash; or

8 “(bb) in-kind.

9 “(c) ADMINISTRATIVE EXPENSES.—Not more than
10 10 percent of the assistance received by a qualified organi-
11 zation for a fiscal year under this section may be used
12 to pay administrative expenses.

13 “(d) FUNDING.—

14 “(1) MANDATORY FUNDING.—

15 “(A) IN GENERAL.—Of the funds of the
16 Commodity Credit Corporation, the Secretary
17 shall use to carry out this section \$40,000,000
18 for each of fiscal years 2008 through 2012, to
19 remain available until expended.

20 “(B) ALLOCATION OF FUNDS.—Of the
21 amount made available by subparagraph (A) for
22 each fiscal year—

23 “(i) not less than \$24,000,000 shall
24 be available for use in carrying out sub-
25 section (b)(3); and

1 “(ii) not less than \$16,000,000 shall
2 be available for use in carrying out sub-
3 section (b)(4), of which not more than
4 \$6,000,000 shall be used to support loans.
5 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
6 addition to amounts made available under paragraph
7 (1), there are authorized to be appropriated such
8 sums as are necessary to carry out this section for
9 each of fiscal years 2008 through 2012.”.

In section 231(b)(5)(A) of the Agricultural Risk Protection Act of 2000, as proposed to be added by section 6027(b)(1) of the bill—

- (1) strike “10” and insert “5”;
- (2) insert “(i)” after “benefit”;
- (3) strike “or socially” and insert “, (ii) socially”; and
- (4) insert “, or (iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))” before the period.

In section 6045(g)(1) of the Farm Security and Rural Investment Act of 2002, as proposed to be amended by section 6026(b) of the bill, strike “\$30,000,000” and insert “\$50,000,000”.

At the end of title VI, insert the following:

1 **SEC. 6033. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
2 **PROGRAM.**

3 Section 310B(g) of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1932(g)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking all through “means” and
7 inserting the following:

8 “(1) DEFINITIONS.—In this subsection:

9 “(A) BUSINESS AND INDUSTRY LOAN.—
10 The term ‘business and industry loan’ means”.

11 (B) by adding after and below the end the
12 following new subparagraph:

13 “(B) LOCALLY OR REGIONALLY PRODUCED
14 AGRICULTURAL PRODUCT.—The term ‘locally or
15 regionally produced agricultural product’ means
16 any agricultural product produced and distrib-
17 uted in the locality or region, as determined by
18 the Secretary, where the product is marketed,
19 if—

20 “(i) the product has been shipped a
21 total distance less than $\frac{1}{3}$ of the current
22 average distance of all food produced for
23 consumption within the United States, as
24 determined by the Secretary; and

1 “(ii) information is conveyed by the
2 producer or distributor to end-use con-
3 sumers regarding the product origin, pro-
4 duction practices, or other product de-
5 tails.”.

6 (2) by adding at the end the following:

7 “(9) LOANS AND LOAN GUARANTEES FOR FOOD
8 ENTERPRISE DEVELOPMENT.—

9 “(A) IN GENERAL.—The Secretary may
10 make or guarantee loans to cooperatives, busi-
11 nesses, and other entities to establish and to fa-
12 cilitate the development of enterprises that sup-
13 port community development and farm and
14 ranch income by marketing, distributing, stor-
15 ing, aggregating, and processing locally and re-
16 gionally produced agricultural products. The
17 Secretary may provide grants for technical as-
18 sistance and feasibility studies to assist a coop-
19 erative, business or other entity in the develop-
20 ment of a business plan for a project that is eli-
21 gible to receive a loan or loan guarantee under
22 this subsection.

23 “(B) IMPLEMENTATION.—

24 “(i) COORDINATION WITH OTHER
25 AGENCIES.—In carrying out this sub-

1 section, the Secretary shall ensure that the
2 Rural Business and Cooperative Develop-
3 ment Service coordinates the development
4 and implementation of the program with
5 the head of the market services branch of
6 the Agricultural Marketing Service.

7 “(ii) LOAN AND LOAN GUARANTEE
8 MAXIMUM.—The maximum amount of a
9 loan or loan guarantee provided under this
10 subsection shall be \$2,500,000, adjusted to
11 reflect changes for the 12-month period
12 ending the preceding November 30 in the
13 Consumer Price Index for All Urban Con-
14 sumers published by the Bureau of Labor
15 Statistics of the Department of Labor.

16 “(iii) LIMITATION.—The recipient of a
17 loan or loan guarantee under this sub-
18 section shall not hold more than 1 such
19 loan or guarantee during the term of the
20 loan or guarantee, unless the entity is
21 graduating from 1 loan to 1 loan guar-
22 antee.

23 “(iv) LOCAL OWNERSHIP.—The Sec-
24 retary may not provide a loan or guarantee
25 under this subsection to an entity, unless

1 a majority or the entity is owned and con-
2 trolled locally, as defined by the Secretary.
3 “(C) REPORTS.—Not later than 1 year
4 after date of the enactment of this paragraph
5 and annually thereafter, the Secretary shall
6 submit to the Committee on Agriculture of the
7 House of Representatives and the Committee
8 on Agriculture, Nutrition, and Forestry of the
9 Senate a report describing the levels of partici-
10 pation in, characteristics of communities and
11 producers served by, and the benefits of the
12 program carried out under this subsection.”.

[RESEARCH TITLE]

In section 7310, strike subsections (f) and (g) and
insert the following:

13 (f) FUNDING.—Of the funds of the Commodity Cred-
14 it Corporation, the Secretary of Agriculture shall make
15 available \$25,000,000 for each of fiscal years 2008
16 through 2012.

In section 7411, strike subsections (g) and (h) that
appear within quotation marks and insert the following:

17 “(g) FUNDING.—Of the funds of the Commodity
18 Credit Corporation, the Secretary shall make available

1 \$100,000,000 for each of fiscal years 2008 through
2 2012.”.

[ENERGY TITLE]

Strike section 9013.

At the end of title IX, add the following new section:

3 **SEC. ____ . VOLUNTARY RENEWABLE FUELS CERTIFICATION**
4 **PROGRAM.**

5 (a) ESTABLISHMENT.—The Secretary of Agriculture,
6 in consultation with the Administrator of the Environ-
7 mental Protection Agency, shall establish a program to
8 certify biomass crops that meet sustainable growing stand-
9 ards designed to reduce greenhouse gases, protect wildlife
10 habitat, and protect air, soil, and water quality.

11 (b) CERTIFICATION REQUIREMENTS.—To qualify for
12 certification under the program established under sub-
13 section (a), a biomass crop shall be inspected and certified
14 as meeting the standards adopted under subsection (c) by
15 an inspector referred to in subsection (d).

16 (c) PRODUCTION STANDARDS.—The Secretary shall
17 adopt standards for the certification of biomass crops
18 under subsection (b) that provide measurement of a nu-
19 merical reduction in greenhouse gases and soil and water
20 pollutants, based upon the recommendations of an advi-

1 sory committee jointly established by the Secretary and
2 the Administrator.

3 (d) INSPECTORS.—The Secretary shall designate in-
4 spectors that the Secretary determines are qualified to cer-
5 tify biomass crops under this section to carry out inspec-
6 tions under subsection (b).

7 (e) DESIGNATION OF CERTIFIED PRODUCTS.—A
8 product produced from a biomass crop that is certified
9 under this section may be designated as having been pro-
10 duced from a certified biomass crop if the producer of the
11 product verifies the product was produced from such crop
12 and the verification includes a copy of the certification
13 under subsection (b).

[HORTICULTURE TITLE]

At the end of subtitle C of title X, add the following
new section:

14 **SEC. ____ . PESTICIDES.**

15 (a) RECORDKEEPING AND REPORTING.—

16 (1) AMENDMENT.—Section 1491 of the Food,
17 Agriculture, Conservation, and Trade Act of 1990 (7
18 U.S.C. 136i–1) is amended to read as follows:

19 **“SEC. 1491. PESTICIDE RECORDKEEPING.**

20 **“(a) REQUIREMENTS.—**

1 “(1) IN GENERAL.—The Secretary of Agri-
2 culture, in consultation with the Administrator of
3 the Environmental Protection Agency, shall require
4 certified commercial applicators and private applica-
5 tors of pesticides (whether for general use or re-
6 stricted use) to maintain—

7 “(A) records comparable to records main-
8 tained by commercial applicators of pesticides,
9 as required by the State in which the pesticide
10 is used, or

11 “(B) if there is no State requirement for
12 the maintenance of records, records that con-
13 tain the product and chemical name, the reg-
14 istration number assigned to the pesticide
15 under the Federal Insecticide, Fungicide, and
16 Rodenticide Act, amount, date and time of ap-
17 plication, and location of application of each
18 such pesticide used in agricultural production,
19 for a period of 20 years after the pesticide is used.

20 “(2) PROVISION OF RECORDS TO CERTAIN PER-
21 SONS.—Within 30 days of a pesticide application, a
22 certified commercial applicator shall provide a copy
23 of records maintained under paragraph (1) to the
24 person for whom such application was provided.

1 “(3) PROVISION OF RECORDS TO SECRETARY.—

2 Within 30 days of a pesticide application, a certified
3 commercial applicator or private applicator shall
4 provide a copy of records maintained under para-
5 graph (1) to—

6 “(A) any State agency designated by the
7 State for such purpose; and

8 “(B) the Secretary of Agriculture.

9 “(4) MAINTENANCE BY SECRETARY.—

10 “(A) REQUIREMENT.—Subject to subpara-
11 graph (B), the Secretary of Agriculture shall
12 maintain records submitted to the Secretary
13 under paragraph (3) for a period of at least 20
14 years after the pesticide is used.

15 “(B) EXCEPTION.—The Secretary of Agri-
16 culture is not required to maintain records pur-
17 suant to subparagraph (A) if the Secretary de-
18 termines that the State in which the pesticide
19 is used will maintain such records for a period
20 of at least 20 years after such use.

21 “(b) ACCESS TO RECORDS.—

22 “(1) IN GENERAL.—Upon request, records
23 maintained under subsection (a) shall be made avail-
24 able by applicators and by the Secretary of Agri-
25 culture to the following:

1 “(A) A Federal or State agency that deals
2 with pesticide use or any health, occupational
3 safety, or environmental issue related to the use
4 of pesticides.

5 “(B) Health care professionals treating
6 persons who reasonably believe that they have
7 been exposed to pesticides.

8 “(C) Agricultural workers who reasonably
9 believe they have been exposed to pesticides,
10 their immediate family members, and their rep-
11 resentatives.

12 “(D) Researchers conducting studies on
13 pesticides, occupational safety or health, or en-
14 vironmental conditions.

15 “(2) AGENCIES.—In the case of Federal agen-
16 cies, such access to records maintained under sub-
17 section (a) shall be through the Secretary of Agri-
18 culture, or the Secretary’s designee. State agency re-
19 quests for access to records maintained under sub-
20 section (a) shall be through the lead State agency so
21 designated by the State.

22 “(3) HEALTH CARE PERSONNEL.—When a
23 health professional determines that pesticide infor-
24 mation maintained under this section is necessary to
25 provide medical treatment or first aid to an indi-

1 vidual who may have been exposed to pesticides for
2 which the information is maintained, upon request
3 applicators and the Secretary of Agriculture shall
4 promptly provide applicable records maintained
5 under subsection (a) and available label information
6 to that health professional. In the case of an emer-
7 gency, such records and information shall be pro-
8 vided immediately.

9 “(4) AGRICULTURAL WORKERS.—When an ag-
10 ricultural worker reasonably believes he or she has
11 been exposed to pesticides, upon request applicators
12 and the Secretary of Agriculture shall provide appli-
13 cable records maintained under subsection (a) to
14 such worker, the worker’s family member, or the
15 worker’s representative within 5 business days of the
16 request. In the case of an emergency, such records
17 shall be provided immediately.

18 “(5) RESEARCHERS.—When a researcher is
19 conducting a study on a pesticide, occupational safe-
20 ty or health, or environmental conditions, upon re-
21 quest applicators and the Secretary of Agriculture
22 shall provide applicable records maintained under
23 subsection (a) to such researcher within 30 days of
24 the request.

1 “(c) ACCESS TO CONTACT INFORMATION.—Upon re-
2 quest, the person for whom a pesticide application was
3 provided shall provide the name and contact information
4 of the applicator to a health care professional described
5 in subsection (b)(3) or an agricultural worker, family
6 member, or representative described in subsection (b)(4).

7 “(d) SURVEYS AND ANALYSES.—Each Federal agen-
8 cy described in subsection (b)(1)(A) shall conduct surveys
9 and record the data from individual applicators to facili-
10 tate statistical analysis for environmental and agronomic
11 purposes, but in reports based on survey data the Federal
12 agency shall not release data, including the location from
13 which the data was derived, that would directly or indi-
14 rectly reveal the identity of individual producers.

15 “(e) PENALTY.—The Secretary of Agriculture shall
16 be responsible for the enforcement of subsections (a), (b),
17 and (c). A violation of subsection (a) or (b) by an appli-
18 cator, or a violation of subsection (c) by a person described
19 in such subsection, shall—

20 “(1) in the case of the first offense, be subject
21 to a fine of not more than \$ 1,000; and

22 “(2) in the case of subsequent offenses, be sub-
23 ject to a fine of not less than \$ 2,000 for each viola-
24 tion, except that the penalty shall be less than
25 \$1,000 if the Secretary determines that the appli-

1 cator or person made a good faith effort to comply
2 with such subsection.

3 “(f) FEDERAL OR STATE PROVISIONS.—The require-
4 ments of this section shall not affect provisions of other
5 Federal or State laws.

6 “(g) SURVEYS AND REPORTS.—The Secretary of Ag-
7 riculture and the Administrator of the Environmental Pro-
8 tection Agency shall survey the records maintained under
9 subsection (a) to develop and maintain a database that
10 is sufficient to enable the Secretary and the Administrator
11 to publish comprehensive reports, at least on an annual
12 basis, concerning agricultural and nonagricultural pes-
13 ticide use. The Secretary and Administrator shall enter
14 into a memorandum of understanding to define their re-
15 spective responsibilities under this subsection in order to
16 avoid duplication of effort. Such reports shall be trans-
17 mitted to Congress not later than April 1 of each year.

18 “(h) REGULATIONS.—The Secretary of Agriculture
19 and the Administrator of the Environmental Protection
20 Agency shall promulgate revised regulations on their re-
21 spective areas of responsibility implementing this section
22 not later than 180 days after the enactment of the NOUR-
23 ISH Act of 2007.”.

24 (2) EFFECTIVE DATE.—The amendment made
25 by paragraph (1) takes effect on the date that is

1 180 days after the enactment of the NOURISH Act
2 of 2007.

3 (b) INCLUSION OF LONG-TERM ADVERSE HEALTH
4 EFFECTS IN LABELING.—Paragraph (2) of section 2(q)
5 of the Federal Insecticide, Fungicide, and Rodenticide Act
6 (7 U.S.C. 136(q)) is amended—

7 (1) in subparagraph (C), by striking “and” at
8 the end;

9 (2) in subparagraph (D)(iii), by striking the pe-
10 riod at the end and inserting “; and”; and

11 (3) by adding at the end the following:

12 “(E) the pesticide is registered for an agri-
13 cultural use and its labeling does not include in-
14 formation on long-term adverse health effects
15 associated with exposure to the pesticide, such
16 as cancer in individuals so exposed and their
17 children, birth defects, adverse reproductive ef-
18 fects such as infertility or still births, and neu-
19 rological damage.”.

20 (c) RESEARCH BY CDC.—

21 (1) INCREASED RISKS AMONG FARM WORK-
22 ERS.—

23 (A) IN GENERAL.—The Director of the
24 Centers for Disease Control and Prevention
25 shall conduct or support research on increased

1 risks of cancer or birth defects among farm
2 workers who have occupational exposure to pes-
3 ticide and their children.

4 (B) AUTHORIZATION OF APPROPRIA-
5 TIONS.—To carry out this paragraph, there is
6 authorized to be appropriated \$5,000,000 for
7 fiscal year 2008.

8 (2) BIOLOGICAL INDICATORS AND CLINICAL
9 TESTS.—

10 (A) IN GENERAL.—The Director of the
11 Centers for Disease Control and Prevention
12 shall conduct or support research to identify ob-
13 jective biological indicators, and to develop new
14 and additional inexpensive clinical tests, to en-
15 able clinicians to diagnose overexposure to pes-
16 ticides.

17 (B) AUTHORIZATION OF APPROPRIA-
18 TIONS.—To carry out this paragraph, there is
19 authorized to be appropriated \$5,000,000 for
20 fiscal year 2008.

21 (d) RESEARCH BY USDA.—

22 (1) IN GENERAL.—The Secretary of Agriculture
23 shall conduct or support research on alternatives to
24 agricultural pesticides that have been associated
25 with cancer, birth defects, adverse reproductive ef-

1 fects, or severe neurological disorders in animal
2 studies or epidemiological research.

3 (2) AUTHORIZATION OF APPROPRIATIONS.—To
4 carry out this subsection, there is authorized to be
5 appropriated \$5,000,000 for fiscal year 2008.

6 (e) RESEARCH BY EPA.—

7 (1) IN GENERAL.—The Administrator of the
8 Environmental Protection Agency shall conduct or
9 support research to develop field level tests to deter-
10 mine when pesticide-treated fields are safe to reen-
11 ter.

12 (2) AUTHORIZATION OF APPROPRIATIONS.—To
13 carry out this subsection, there is authorized to be
14 appropriated \$7,500,000 for fiscal year 2008.

Section 10301(1) is amended by striking
“\$22,000,000” and inserting “\$25,000,000”.

Section 10303(f) is amended by striking “There is
authorized to be appropriated” and inserting “Of the
funds of the Commodity Credit Corporation, the Sec-
retary shall make available”.

Section 10102 is amended by striking subsection (b)
and inserting the following new subsection:

1 (b) AVAILABILITY OF FUNDS.—Subsection (i) of sec-
2 tion 101 of the Specialty Crops Competitiveness Act of
3 2004 is amended to read as follows:

4 “(i) FUNDING.—Of the funds of the Commodity
5 Credit Corporation, the Secretary of Agriculture shall
6 make grants under this section, using—

7 “(1) \$110,000,000 in fiscal year 2008;

8 “(2) \$115,000,000 in fiscal year 2009;

9 “(3) \$120,000,000 in fiscal year 2010;

10 “(4) \$125,000,000 in fiscal year 2011; and

11 “(5) \$145,000,000 in fiscal year 2012.”.

In section 6(f)(1) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), as added by section 10404(b)(4) of the bill, strike “Secretary of Agriculture use to carry out this section” and all that follows and insert “Secretary of Agriculture shall use to carry out this section \$20,000,000 for each of fiscal years 2008 through 2012.”.

[MISCELLANEOUS TITLE]

At the end of subtitle A of title XI add the following new sections:

1 **SEC. ____ . SHARE OF RISK.**

2 Section 508(k) of the Federal Crop Insurance Act (7
3 U.S.C. 1508(k)) is amended by striking paragraph (3) and
4 inserting the following:

5 “(3) SHARE OF RISK.—The reinsurance agree-
6 ments of the Corporation with the reinsured compa-
7 nies shall require the reinsured companies to cede to
8 the Corporation 30 percent of its cumulative under-
9 writing gain or loss.”

10 **SEC. ____ . REIMBURSEMENT RATE.**

11 Section 508(k)(4)(A) of the Federal Crop Insurance
12 Act (7 U.S.C. 1508(k)(4)(A)) is amended by striking
13 clause (ii) and inserting the following:

14 “(ii) for each of the 2008 and subsequent reinsurance
15 years, 15 percent of the premium used to define loss
16 ratio.”.

 Subparagraph (D) of section 2501(a)(2) of the
Food, Agriculture, Conservation, and Trade Act of 1990
(7 U.S.C. 2279(a)(2)), as added by section
11201(a)(1)(B)(ii) of the bill, is amended to read as fol-
lows:

17 “(D) ADDITIONAL CONTRACTING AUTHOR-
18 ITY.—Any agency of the Department of Agri-
19 culture may make grants and enter into con-
20 tracts and cooperative agreements with a com-

1 munity-based organization that meets the defi-
2 nition of an eligible entity under subsection (e)
3 in order to utilize the community-based organi-
4 zation to provide outreach and technical assist-
5 ance.”.

Section 2501(a)(4)(A) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(4)(A)), as amended by section 11201(a)(1)(C)(i) of the bill, is amended by striking “\$15,000,000” and inserting “\$35,000,000”.

At the end of subtitle C of title XI add the following new section:

6 **SEC. ____ . MORATORIUM ON FORECLOSURES.**

7 (a) MORATORIUM.—The Secretary of Agriculture
8 shall, except for the purposes referred to in subsection (c),
9 immediately issue a moratorium on all current, pending,
10 and future foreclosures, loan accelerations, and adverse
11 actions, with respect to Department of Agriculture loans
12 to any farm or ranch owned or operated by a socially dis-
13 advantaged farmer or ranchers (as defined in section
14 355(e)(2) of the Consolidated Farm and Rural Develop-
15 ment Act). The Secretary shall waive the accrual of inter-
16 est and offsets on all loans affected by this section for
17 the full period of the moratorium or review shall issue

1 write offs of accrued interest and may take such additional
2 actions as recommended by the Commission established in
3 subsection (b).

4 (a) SOCIALLY DISADVANTAGED FARMERS AND
5 RANCHERS COMMISSION.—

6 (1) IN GENERAL.—The Secretary of shall estab-
7 lish in the Department of Agriculture a commission
8 to be known as the “USDA Socially Disadvantaged
9 Farmers and Ranchers Commission” (in this section
10 referred to as the “Commission”).

11 (2) DUTIES.—The Commission shall review all
12 actions covered by the moratorium under subsection
13 (a) to—

14 (A) determine whether Federal, State, or
15 local government actions or inactions contrib-
16 uted to the conditions leading to foreclosure;

17 (B) determine whether the acceleration of
18 foreclosure by the Department of Agriculture of
19 loans on farm land owned by socially disadvan-
20 tagged farmers and ranchers was in accordance
21 with applicable laws or regulations;

22 (C) improve upon the credibility and accu-
23 racy of all Department of Agriculture programs
24 land foreclosure process and procedures;

1 (D) recommend to the Secretary actions
2 for the fair resolution of cases reviewed; and
3 (E) submit to the Committee on Agri-
4 culture and the Committee on Oversight and
5 Government Reform of the House of Represent-
6 atives and the Committee on Agriculture, Nu-
7 trition, and Forestry and the Committee on
8 Government Reform and Homeland Security of
9 the Senate a report on programmatic inefficien-
10 cies and possible remedies to address any land
11 loss directly resulting from illegal or manifestly
12 unfair acts of the Department of Agriculture.

Strike section 10202 and add at the end of title XI
the following:

13 **SEC. ____ . MULTI-SPECIES FRUIT FLY RESEARCH AND STER-**
14 **ILE FLY PRODUCTION.**

15 (a) CONSTRUCTION.—The Secretary of Agriculture
16 shall construct a warehouse and irradiation containment
17 facility in Waimanalo, Hawaii, to support fruit fly rearing
18 and sterilization activities.

19 (b) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated—

21 (1) \$15,000,000 for the construction of a ware-
22 house and irradiation containment facility pursuant
23 to subsection (a); and

1 (2) \$1,000,000 for fiscal year 2008 and each
2 subsequent fiscal year for maintenance to the facili-
3 ties constructed pursuant to this section.

Strike section 11305.

At the end of subtitle A of title XI add the following
new section:

4 **SEC. ____ . PARITY FOR ORGANIC CROP ACRES PRICE ELEC-**
5 **TIONS, DOLLAR AMOUNTS OF INSURANCE,**
6 **AND PREMIUM DETERMINATION.**

7 Section 508(a) of the Federal Crop Insurance Act (7
8 U.S.C. 1508(a)) is amended by adding at the end the fol-
9 lowing new paragraph:

10 “(9) ORGANICS.—Notwithstanding any other
11 provision of this title, the Secretary may not charge
12 a premium, deductible, or other fee for an insurance
13 policy or plan on crops that are certified organic or
14 transitioning to organic production that is more
15 than the premium, deductible, or other fee for an
16 insurance policy or plan on crops that are not cer-
17 tified organic or transitioning to organic produc-
18 tion.”.

At the end of subtitle C of title XI, add the following
new sections:

1 **SEC. ____.** **MCINTIRE-STENNIS COOPERATIVE FORESTRY**
2 **ACT.**

3 Section 2 of Public Law 87-788 (16 U.S.C. 582a-
4 1) is amended—

5 (1) by inserting “and 1890 Institutions,” before
6 “and (b)””; and

7 (2) by adding at the end the following: “In
8 States that have both 1862 Institutions and 1890
9 Institutions eligible for and receiving funds under
10 this Act, the institutions shall, to the maximum ex-
11 tent practicable, develop complementary plans for
12 forestry research in the State. In this section, the
13 terms ‘1862 Institutions’ and ‘1890 Institutions’
14 have the same meanings as in section 2 of the Agri-
15 cultural Research, Extension, and Education Reform
16 Act of 1998 (7 U.S.C. 7601(2)).”.

17 **SEC. ____.** **ANIMAL HEALTH AND DISEASE RESEARCH PRO-**
18 **GRAM.**

19 Section 1434(b) of the National Agriculture Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3196(b)) is amended by inserting after “univer-
22 sities” the following: “(including 1890 Institutions (as de-
23 fined in section 2 of the Agricultural Research, Extension,
24 and Education Reform Act of 1998 (7 U.S.C. 7601(2))))”.

1 **SEC. ____ . CHILDREN, YOUTH, AND FAMILIES EDUCATION**
2 **AND RESEARCH NETWORK (CYFERNET) PRO-**
3 **GRAM.**

4 (a) IN GENERAL.— In carrying out the Children,
5 Youth, and Families Education and Research Network
6 Program under section 3(d) of the Smith-Lever Act (7
7 U.S.C. 343(d)), the Secretary shall include 1890 Institu-
8 tions as eligible program applicants and participants.

9 (b) 1890 INSTITUTIONS DEFINED.—In this section,
10 the term “1890 Institutions” has the meaning given the
11 term in section 2 of the Agricultural Research, Extension,
12 and Education Reform Act of 1998 (7 U.S.C. 7601(2)).

13 **SEC. ____ . SOCIALLY DISADVANTAGED PRODUCERS ACCESS**
14 **PROGRAM.**

15 (a) ESTABLISHMENT; PURPOSE.—

16 (1) ESTABLISHMENT.—The Secretary of Agri-
17 culture shall establish and carryout, for each of fis-
18 cal years 2008 through 2013, a program to enhance
19 the viability of minority and socially disadvantaged
20 farmer and ranchers who own or operate agricul-
21 tural operations by assisting such farmer and ranch-
22 ers to reduce their risks, improve their access to
23 markets, and better utilize the programs and serv-
24 ices of the Department of Agriculture.

25 (2) IMPROVED ACCESS.—One of the purposes of
26 the program shall be to ensure the viability and suc-

1 cess of minority and socially disadvantaged farmers
2 and ranchers by promoting the involvement of so-
3 cially disadvantaged farmers and ranchers in the full
4 range of services to ensure producer access to com-
5 modity, credit, risk management and disaster protec-
6 tion, conservation, marketing, nutrition, value-added,
7 rural development, and other programs and services
8 of the Department.

9 (3) ACCURATE REFLECTION OF CONTRIBU-
10 TIONS.—Another of the purposes of the program
11 shall be to assure that the number and economic
12 contributions of socially disadvantaged farmers and
13 ranchers are accurately reflected in the census of ag-
14 riculture.

15 (b) ELIGIBILITY.—

16 (1) IN GENERAL.—To be eligible to participate
17 in programs made available under this title, a pro-
18 ducer shall—

19 (A) be a socially disadvantaged farmer or
20 rancher;

21 (B) be a producer who, as an owner, oper-
22 ator, landlord, tenant, sharecropper or enrolled
23 member of an Indian tribe—

24 (i) shares in the risk of producing any
25 crop or livestock; and

1 (ii) is entitled to share in the crop or
2 livestock available for marketing from a
3 farm (or would have shared had the crop
4 or livestock been produced) or produces
5 more than 50 percent of the food needed
6 for family consumption;

7 (C) enter into a risk management and
8 market access contract with the Secretary to
9 carry out the risk management and market ac-
10 cess plan.

11 (2) DEFINITIONS.—In this section:

12 (A) SOCIALLY DISADVANTAGED.—The
13 term “socially disadvantaged” means, with re-
14 spect to a farmer or rancher, that the farmer
15 or rancher is a member of a socially
16 disadvantaged group.

17 (B) SOCIALLY DISADVANTAGED GROUP DE-
18 FINED.—The term “socially disadvantaged
19 group” means a group whose members have
20 been subjected to racial or ethnic prejudice be-
21 cause of their identity as members of a group
22 without regard to their individual qualities.

23 (c) PRODUCER PAYMENT STRUCTURE.—

24 (1) PRODUCER DEVELOPMENT PAYMENTS.—

25 The Secretary is authorized to provide direct pay-

1 ments to the producers defined under subsection (b)
2 if risk management and market access plans are im-
3 plemented within any fiscal year pursuant to a plan
4 developed in a fiscal year prior to payment by the
5 Secretary.

6 (2) ENROLLMENT PROCEDURE.—To enroll in
7 this program, an eligible producer must—

8 (A) complete and maintain the practices in
9 the qualification level in paragraph (3)(A)(i);

10 (B) describe the tier of the risk manage-
11 ment and market access plan, and the par-
12 ticular risk management and market access
13 practices to be implemented in accordance with
14 this subsection; and

15 (C) identify the qualified technical assist-
16 ance provider who will serve as a liaison to the
17 Department and supply technical assistance to
18 assure completion of the plan.

19 (3) PAYMENT STRUCTURE.—The Secretary
20 shall make annual producer payments under this
21 title for participation at 1 of the following levels for
22 a period not to exceed a total of 7 years, as follows:

23 (A) USDA ACCESS PAYMENTS.—The qual-
24 ification level payment shall be not more than

1 \$5,000 with up to \$2,500 paid up front if,
2 within the first year, the producer—

3 (i) files an IRS schedule F or a quali-
4 fied substitute for enrolled members of In-
5 dian Tribes;

6 (ii) registers at the Farm Service
7 Agency office as a farm or rancher, or in-
8 forms the Secretary the reason for which
9 registration was not allowed;

10 (iii) signs up for any crop insurance
11 or NAP programs for which the producer
12 is qualified, or provides a plan to achieve
13 qualification or inform the Secretary if no
14 plan or program exists for the form of pro-
15 duction on the farm or ranch; and

16 (iv) receives technical assistance to be
17 included in the Minority Farm Registry
18 and complete the next Census of Agri-
19 culture.

20 The Secretary shall provide to the National Ag-
21 riculture Statistics Service information suffi-
22 cient for inclusion of each producer who quali-
23 fies under this section in the next census of ag-
24 riculture.

1 (B) PROGRAM ACCESS PAYMENTS.—Pro-
2 gram access payments shall at least \$5000 and
3 not more than \$10,000 annually for up to 3
4 years if the producer provides, develops, and
5 implements a plan to complete at least two of
6 following practices in each year:

- 7 (i) a farm and home plan;
8 (ii) an estate plan;
9 (iii) a risk management plan, includ-
10 ing accessing family health insurance;
11 (iv) a conservation plan;
12 (v) enters into a contract for purchase
13 or sale of farm land;
14 (vi) acquires a computer, high-speed
15 internet access, and software, and training
16 in the use of these tools;
17 (vii) prepares a plan to transition to
18 another crop or crops;
19 (viii) applies for at least one farm pro-
20 gram of the Department; or
21 (ix) other practices as determined by
22 the Secretary.

23 (C) MARKET ACCESS AND RISK PROTEC-
24 TION PAYMENTS.—

1 (i) TIER ONE.—Market Access and
2 Risk Protection Payments shall be at least
3 \$10,000 and not more than \$25,000 annu-
4 ally for up to three years if the producer
5 develops and implements at least two of
6 the following practices in each year:

7 (I) Mentor another farmer.

8 (II) Seek nomination and election
9 to a Conservation District Board or
10 FSA County Committee.

11 (III) Meet standards for Good
12 Agricultural Practices, Organic Cer-
13 tification or other market certifi-
14 cations.

15 (IV) Develop and implement a
16 marketing plan or a business plan.

17 (V) Access liability or other ex-
18 panded insurance, including revenue
19 insurance.

20 (VI) Access farmers markets or
21 improved marketing contracts.

22 (VII) Participate in farmers mar-
23 ket nutrition, school food or other nu-
24 trition programs.

1 (VIII) Develop and implement
2 plan to meet regulatory requirements,
3 including labor, workers compensa-
4 tion, and pesticide health and safety
5 standards, Livestock and Animal ID.

6 (IX) Seek irrigation and other
7 production assistance, Land or waste
8 management.

9 (X) Other practices as deter-
10 mined by the Secretary.

11 (iii) TIER TWO.—Market Access and
12 Risk Protection Payments shall be not
13 more than to \$35,000 annually for up to
14 three years if the producer completes at
15 least two of the following practices in each
16 year:

17 (I) Develop or participate in a
18 cooperative or marketing association.

19 (II) Develop a value-added enter-
20 prise.

21 (III) Implements improve mar-
22 keting strategies, including develop-
23 ment of brands and innovative forms
24 of marketing by web or other means.

1 (IV) Develop infrastructure or
2 processing capacity.

3 (V) Enhance the participation of
4 a cooperative or a group of farmers in
5 nutrition and health programs.

6 (VI) Construct or improve hous-
7 ing for farmworkers.

8 (VII) Enter into direct contracts
9 to secure adequate labor to meet pro-
10 duction needs.

11 (VIII) Protect of land use and
12 development rights.

13 (IX) Other practices as deter-
14 mined by the Secretary.

15 (d) TECHNICAL ASSISTANCE.—

16 (1) IN GENERAL.—For each of fiscal years
17 2008 through 2013, the Secretary shall provide
18 technical assistance through qualified technical as-
19 sistance providers to producers for the development
20 and implementation of a risk management and mar-
21 ket access plans at each tier.

22 (2) TECHNICAL ASSISTANCE PROVIDER.—In
23 this section, the term “technical assistance provider”
24 is an organization or educational institutions that
25 qualifies as an eligible entity under section

1 2501(e)(5) of the Food, Agriculture, Conservation,
2 and Trade Act of 1990 (7 U.S.C. 2279(e)(5)).

3 (3) QUALIFIED TECHNICAL ASSISTANCE PRO-
4 VIDER.—In this section, the term “qualified tech-
5 nical assistance provider” means a technical assist-
6 ance provider that has been recognized by the Risk
7 Management Agency as qualified to provide the serv-
8 ice in this program.

9 (4) LIMITATIONS.—A qualified technical service
10 provider shall not receive payment for services in ex-
11 cess of—

12 (A) \$2,000, for services under subsection
13 (c)(3)(A);

14 (B) \$3,000, for services under subsection
15 (c)(3)(B); or

16 (C) \$4,000, for services under subsection
17 (c)(3)(C).

18 (f) DUTIES OF THE SECRETARY.—

19 (1) OFFICE OF SMALL FARMS COORDINA-
20 TION.—The Secretary of Agriculture shall establish
21 an office of Small Farm Coordination, which shall be
22 led by the Small Farms Coordinator, who shall be a
23 career employee.

1 (2) DUTIES.—The Secretary may delegate to
2 the Small Farms Coordinator responsibility for the
3 following:

4 (A) Administering the program established
5 under subsection (a).

6 (B) Administering the activities established
7 under Departmental Regulation 9700-1 issued
8 on August 3, 2006, in coordination with any
9 other office, agency, or mission area as deemed
10 necessary by the Secretary to facilitate the im-
11 plementation of the programs under this sec-
12 tion, and other such duties as assigned to as-
13 sure the Department best understands, meets,
14 and prioritizes the needs of small, socially dis-
15 advantaged, and beginning and new entry farm-
16 ers.

17 (C) Other duties deemed appropriate by
18 the Secretary.

19 (3) OUTREACH.—The Secretary shall use not
20 less than \$1,000,000 annually from funding under
21 this section to support consultation, training, and li-
22 aision activities with qualified technical assistance
23 providers under subsection (b).

24 (4) STAFFING AND ADMINISTRATION.—The
25 Secretary shall provide not less than 10 staff posi-

1 tions within the Office of Small Farms Coordination
2 at headquarters in Washington and not less than 10
3 field staff for the Office as the Secretary deems nec-
4 essary to implement this program, with additional
5 field staff provided in States where the number of
6 applicants exceeds 500 to conduct administration of
7 this program.

8 (5) REGULATIONS.—Not later than 270 days
9 after the date of enactment of this Act, the Sec-
10 retary of Agriculture shall promulgate regulations to
11 carry out this subsection.

12 (g) FUNDING.—Of the funds of the Commodity Cred-
13 it Corporation, the Secretary shall make available
14 \$80,000,000 to carry out this section for each of fiscal
15 years 2008 through 2012.